

THE NATION'S BUSINESS

December
1922



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A Man Can *Earn* \$75,000 a Year
The Case of the Railroad President

Who Are the Tax Dodgers?
Commissioner Blair Answers

Our Millions, Guarded, Go Abroad
How Foreign Loans Are Watched

Making Science Pay Dividends
A Story of Unselfish Service

Uncle Sam a Poor Salesman
The Public Printer Tells Why



Published by the Chamber of Commerce of the United States



"Slow Fire"

What name could better describe corrosion—the arch-destroyer of iron and steel? What fire is to wood and other combustibles, corrosion is to iron and steel. Fire and corrosion are alike in that what they attack they literally eat up. They both destroy irresistibly and completely.

The main difference between fire and corrosion is described by the word "slow". Fire destroys quickly. Corrosion destroys slowly. And because it does its destructive work slowly and invisibly, corrosion causes far greater industrial losses than most people realize.

Take, for example, iron or steel sheets used for roofs or siding on plant buildings. From the standpoints of strength, lightness and adaptability there is no better roofing and siding material.

But unprotected metal sheets cannot resist the destructive action of "slow fire". They cannot withstand the corrosive influence of gases, fumes, moisture, smoke and steam.

Users of unprotected metal sheets in almost every industry have found their "slow fire" losses so great that they have turned to Robertson Process Asbestos Protected Metal (A P M), for to all the advantages of unprotected sheets this protected metal adds complete immunity to the destructive action of "slow fire".

The sheet steel core of A P M, completely encased in a triple-protective coating of (1) Asphalt (2) Asbestos felt and (3) Waterproofing, is permanently shielded from the attacks of rust and corrosion. It lives through years of exposure to every corrosive influence without requiring painting or repairs. Wherever A P M is used, upkeep expense is eliminated, depreciation charges are reduced and building investment is protected against "slow fire".

If you are contemplating the construction of new buildings or repairs on old buildings which are exposed to corrosive conditions, it will pay you to investigate A P M—the ideal insurance against "slow fire". Prices and descriptive literature, together with a sample of the actual material, will be sent you on request.

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ROBERTSON PROCESS ASBESTOS PROTECTED METAL



The upper illustration shows banana conveyors and a United Fruit Company steamship being loaded at the Truxillo Railroad Company's pier at Puerto Castilla, Honduras. A P M on the roof of this structure is successfully meeting the "acid test" of endurance—constant exposure to the corrosive influence of tropical weather exposure, salt air, smoke and steam.

The lower illustration is a "cut-away" view of A P M Sheeting, showing how one impervious coating follows another in the process of protecting the steel core from "slow fire".

Because of its remarkable ability to resist rust and corrosion, A P M has been used repeatedly by the largest and most prominent concerns in almost every industry—for example:

	First order	
American Locomotive Co.	1913	13 orders
Bethlehem Steel Co.	1910	24 orders
Davison Chemical Co.	1908	70 orders
E. I. DuPont de Nemours & Co.	1909	29 orders
General Chemical Co.	1909	111 orders
Hudson Coal Co.	1919	31 orders
Jones & Laughlin Steel Co.	1913	22 orders
Lehigh Coal & Navigation Co.	1914	54 orders
Packard Motor Co.	1915	27 orders
Pennsylvania Lines	1909	94 orders
Standard Oil Co. and Subsidiaries	1912	100 orders
United States Steel Corporation	1908	272 orders
United Fruit Company	1920	35 orders

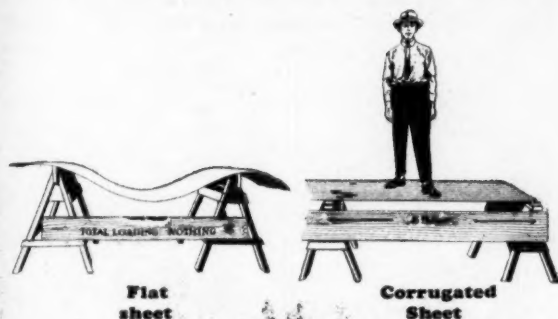
ROBERTSON PROCESS ASBESTOS PROTECTED METAL



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Need more space quickly?



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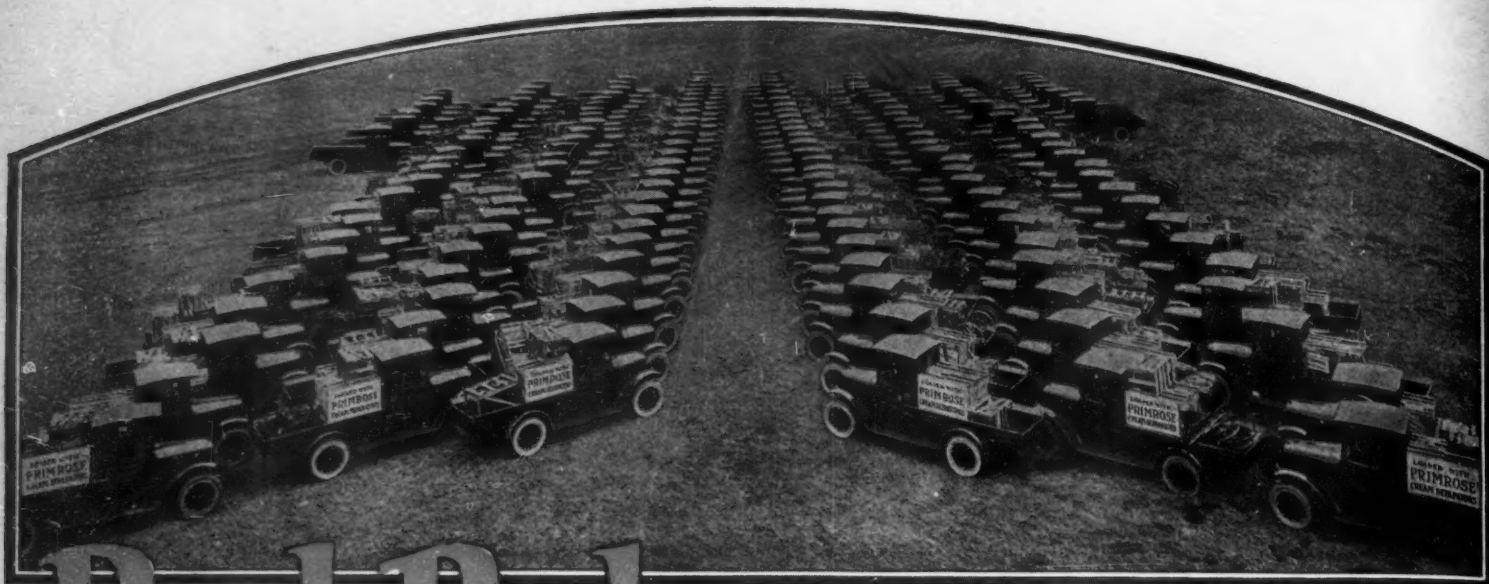
Don't hold back on expansion because of high building costs. Consider Stefco—get the facts—act. Be using your new factory in two or three weeks from *now!*—and pay well under a dollar a square foot for it. Stefco is your answer.

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The Nation's Business is published on the 25th of every month by the Chamber of Commerce and the United States Mills Building, Washington, D. C. Subscription price: \$3.00 a year; \$5.00 two years; \$7.50 three years; 25 cents a copy. Canadian subscription price: \$3.50 a year; 30 cents a copy. Foreign subscription price: \$4.00 a year; 40 cents a copy. Entered as second-class matter March 20, 1920, at the Post-Office at Washington, D. C., under the Act of March 3, 1879.



Red Baby

Serves the Nation by Serving Agriculture

ONE DAY, not many months ago, the McCormick-Deering dealers of central Minnesota came to St. Cloud and painted the town red.

It was "Red Baby Day" and the eyes of the motion picture cameras saw the city celebrating. The newspapers issued special editions. Senators and other prominent officials took part in the activities, and business men and farmers in thousands were caught up in a great wave of community enthusiasm.

On that day these McCormick-Deering dealers came into proud possession of the "Red Baby" Service Trucks mobilized in the above photograph. Before night they drove 162 bright-red International Speed Trucks out into the counties around St. Cloud and set them to work—not for re-sale but for actual use in the

betterment of farming. Since that day the "Red Babies" have lived on the roads, distributing equipment, information, repairs, and special aid—carrying everywhere the methods that increase production and wealth.

* * * * *

This middle-western incident merely typifies the "Red Baby" enthusiasm that has swept the nation. St. Cloud speaks with a small voice compared with the mighty call for International Speed Trucks that has come from the great McCormick-Deering dealer organization. During this present season a constant procession of "Red Baby" Service Trucks has trailed out of Boston, out of Los Angeles, out of Winnipeg and Jacksonville, out of all International branch house cities into the service of Agriculture.

In a hundred days' time the vast fleet of

"Red Baby" trucks, owned and used exclusively by the McCormick-Deering dealers, has given a new value to the familiar term "Service." "Red Baby" has become a household term, the truck a familiar sight and influence in thousands of rural communities. A new demand for modern farming methods is in evidence, and the alert service that doubles the dealer's worth now speeds to the doorsteps of American farms.

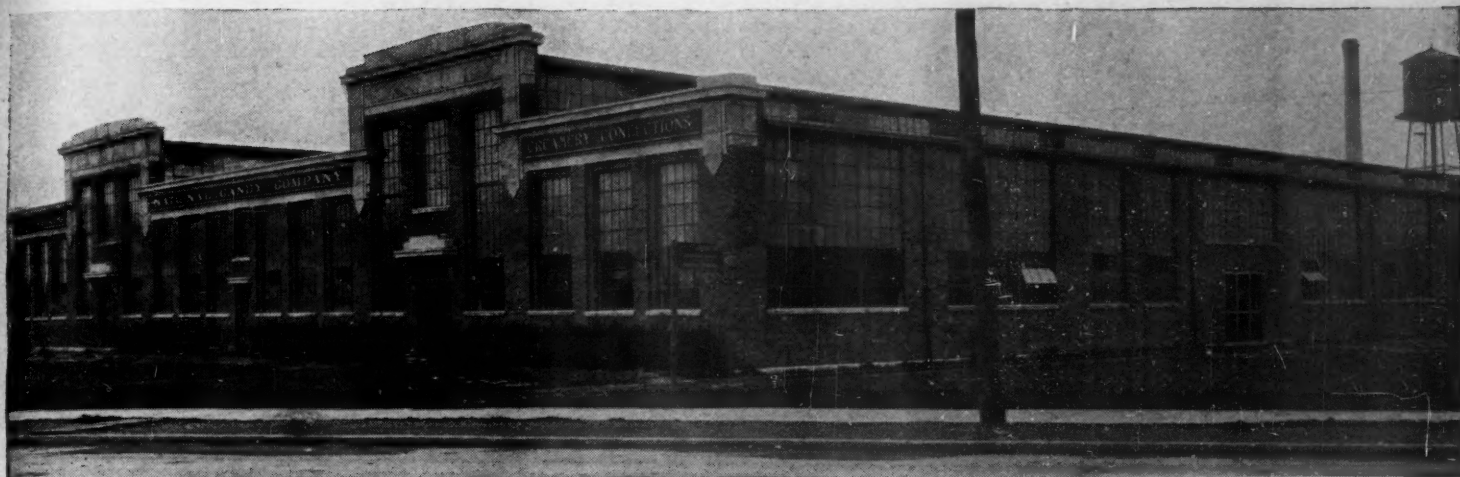
Farm products, the staff of life, find their way into cities and over oceans in richer flow because the "Red Baby" is leading the way to better, more profitable farming. The "Red Baby" is rightly called "The Nation's Service Truck."

INTERNATIONAL HARVESTER COMPANY

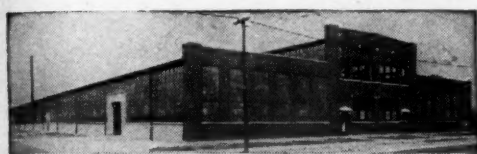
CHICAGO OF AMERICA USA
(INCORPORATED)

93 Company Branches and 15,000 Dealers in the United States





Austin-built Branch Plant of the National Candy Company, Mt. Clemens, Michigan. An example of Austin No. 3 Standard Buildings used in multiple. Note attractive front elevation.



The McDonald Machine Company Plant, Chicago, Ill. An Austin No. 10 Standard Building.



Austin No. 3 Standard Building in multiple. Note well-lighted interior.



Interior of McDonald Machine Co. plant shown above. Note broad, unobstructed aisles, well lighted and ventilated.



The W. K. Henderson Iron Works Plant unit at Shreveport, La., an Austin No. 10 Standard with simple architectural treatment.

66 Austin Building Operations Now Under Way

Austin builds everywhere. There are today 27 Austin building operations under way in the Middle West. There are 19 on the Atlantic Coast, seven on the Pacific Coast, and eight in the South. In New England there are five Austin jobs in process of construction. In 20 states Austin forces are building for industry. In foreign countries, too, Austin operations are under way—one of them in Buenos Aires—Austin service is a world-wide service.

These operations include paper mills, furniture factories, steel mills, laundries, monument works, building products plants, electrical equipment

factories, oil refineries, pumping stations, coal mine buildings, foundries, paint and varnish factories, pier warehouses, textile buildings, and various structures for many other industries.

Austin has now under contract over 1,000,000 square feet of industrial floor space—complete plants, branch plants, single factory buildings, extensions and alterations and building types including single and multi-story structures.

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DETROIT.....1948 Penobscot Building
PITTSBURGH.....493 Union Arcade Building
PHILADELPHIA.....1026 Bulletin Bldg.
NEW YORK.....217 Broadway
DALLAS.....627 Linz Bldg.
ST. LOUIS.....1794 Arcade Bldg.
SEATTLE.....1603 L. C. Smith Bldg.
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Through the Editor's Spectacles

WHAT the World War cost has been estimated more than once, mostly in pounds and dollars and francs. The other day we came across this:

Europe's greatest loss, one for which not only she but the whole world must suffer for generations to come, is the death of millions of her young men, vital, eager, ambitious; singers, painters, poets, men of imagination and of genius, upon whose ideas a great portion of the world depended for its future progress, for its discoveries in science, for its inspiration in the arts.

Some college professor, you will say, just back from a harrowing inspection of the battlefields. No; the man who said that functions amid the granite and steel and gold of Wall Street. His name is Thomas W. Lamont, and he is a partner in the firm of J. P. Morgan and Company.

Well, you may argue, Tom Lamont must have been making a pretty speech at a pink tea; or, maybe, addressing some undergraduates. Wrong again. Mr. Lamont was talking to 5,000 of the hardest-headed men in this country. Half the delegates to the recent bankers' convention in New York heard him.

"And upon us bankers and business men," Mr. Lamont continued, "falls the responsibility of encouraging in this country the education and inspiring of our young men to high and generous ideas. For it is our young men, trained in imagination and initiative, that, in the next decade or two, must supply to Europe some of the vitality that lies stilled forever beneath the mud of Flanders."

Nobody knows better than Mr. Lamont that business is business; perhaps no other American understands better than he the psychology of the American business man; and certainly no American had a more attentive hearing at the convention.

This, we take it, calls for a revaluation of "singers, painters, poets, men of imagination and of genius." They are, we take it, an asset recognized in the best banking circles.

And it calls for a revaluation of the best banking circles. Who will say now that these men are cold-blooded, sordid and unimaginative?

AT ONE point in the circus—or at least the circus as it used to be, and that, after all, is the only proper kind of circus—everything paused while the ringmaster removed his silk hat and said:

"Lade-e-e-s and Gen-til-MUN! Introducing to your attention—"

With somewhat less flourish, we introduce a new contributor, Mr. Philip Whitwell Wilson, who brings to *THE NATION'S BUSINESS* and the nation's businessmen an English point of view coupled with a sincere sympathy and a real understanding of this country. Mr. Wilson, who now makes his home here, and whose wife is American, was a Liberal member of Parliament for four years and came to America as a correspondent of the *Daily News* of London.

Now he lives and writes here. One thing that appeals to him in America is our intense desire to know more, our willingness to be lectured to and addressed, and he has promised us an article on that great American industry as it strikes an Englishman.

25 Cents a Copy

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Vol. 10

THE NATION'S BUSINESS

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As the official magazine of the National Chamber, this publication carries authoritative notices and articles in regard to the activities of the Chamber. But in all other respects, the Chamber is not responsible for the contents of the article or for the opinion to which expression is given.

DR. LELAND COFER, a New Yorker recently returned from Europe, observed to us the other day that part of France's financial difficulty was due to the thrift of her people. On its face this seemed a startling statement, but Dr. Cofer's explanation was simple enough.

"Saving is a great virtue of the French," he said, "and undoubtedly this quality was an important factor in helping her to pay the giant German indemnity after the War of 1871. She paid in part from the stocking. But just now the quality of thrift is strained. It amounts to a buyers' strike, and has seriously affected business. That in turn has affected the government's revenues from taxation, and is a factor, no one knows just how important, in the French deficit this year of about fifteen billion francs."

We have often meditated a brief outgiving on the Janus characteristic of thrift. It may be, as Roosevelt once said in effect, fiscal common sense; but its other face is not so

agreeable to look upon. It dries up the springs of commerce at their source if it is carried too far. When we spend we pass along the ability to spend, like torch-bearers in lampadedromy.

"WE GO upon the practical mode of teaching, Nickleby; the regular education system. C-l-e-a-n, clean, verb active, to make bright, to scour. W-i-n, win, d-e-r, der, winner, a casement. When the boy knows this out of book, he goes and does it."

Such was Mr. Squeer's system at Dotheboys' Hall. Such—in a measure—is the system at Antioch College, described in this number by Henry S. Dennison and President Morgan, of the college. "It is a partial answer to the threadbare question: Is a college education of use in a business? Antioch shows how the two can be linked more closely, and that is our reason for inviting the business man's attention to this experiment in education. Next month we shall

See it in Sweet's

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print an article by Dean Potter, of the Engineering School of Purdue, where an effort is being made to fit special men for special jobs, so that the employer may have, as it were, his man made to order.

REGINALD McKENNA'S views were presented at some length last month in this publication, with a personality sketch; but it so happened that no mention was made of the fact that the former Chancellor of the British Exchequer is a baseball fan.

Is a fan, we say, not was, as the sequence of tenses requires in the foregoing sentence; for at the time the Right Honorable Mr. McKenna was interviewed for The NATION'S BUSINESS he was not a fan. He was virgin to baseball. He had never seen a game, Big League or little. On the last day of his stay he attended a set-to at the Polo Grounds between the Giants and the Yankees in that series which has not become history.

A letter was received the other day from Mr. McKenna acknowledging receipt of a baseball inscribed with the signature of George Herman Ruth, known for short as Babe. The ball was sent to him as a souvenir, and in his thank-you he said:

"Never did anyone become a fully-developed 'fan' as rapidly as I. It was a case of love at first sight with Babe Ruth, and I shall cherish the memento you have sent me of that glorious afternoon."

Mr. McKenna will know what we mean, then, if we describe his analysis of the international debts as a hit-and-run play.

A. C. PEARSON, treasurer of the United Publishers' Corporation, sends The NATION'S BUSINESS a copy of the standards of practice for business papers. We print it as a contribution to the frequently discussed question of business ethics:

To consider first the interests of the subscriber.

To subscribe to and work for truth and honesty in all departments.

To eliminate, so far as possible, his personal opinions from his news columns, but to be a leader of thought in his editorial columns and to make his criticisms constructive.

To refuse to publish puffs, free reading notices or paid write-ups; to keep his reading columns independent of advertising considerations and to measure all news by this standard: "Is it real news?"

To decline any advertisement which has a tendency to mislead or which does not conform to business integrity.

To solicit subscriptions and advertising solely on the merits of the publication.

To supply advertisers with full information regarding character and extent of circulation, including detailed circulation statements, subject to proper and authentic verification.

To cooperate with all organizations and individuals engaged in creative advertising work.

To avoid unfair competition.

To determine what is the highest and largest function of the field which he serves, and then to strive in every legitimate way to promote that function.

"YOUR first copy has been received," writes an official of the Natchez Baking Company, of Natchez, Miss., "and I feel that one article in it has more than paid for the two years' subscription. I am just endeavoring to sell in a national way a fruit cake under my copyrighted name 'Ole Missus,' and in this article, 'Why You Don't Sell by Mail,' I found some very valuable pointers."

We don't believe each number is worth

\$5 to each reader, but as a fellow-craftsman trying to turn out an honest piece of work we submit that it is worth a quarter. And we think one article in this number on the waste from wrongly deflated tires might well be worth \$5 to any reader. And if it were worth \$5 to every reader, why, there's a little matter of \$400,000 saved by this number of THE NATION'S BUSINESS.

A SHORT time ago we issued a stirring call for an American poet to break a lance with the British verse-monger who damned our stockyards in free verse, as follows:

Sing the steer with the steak nutritious!
Hymn the hog with the ham delicious!
It's time, ye poets, time!
Link the sausage in graceful measure!
Bring home the bacon's golden treasure!
So, rhyme, ye poets, rhyme!

Last month Richard D. Heble sent us the song of the "steer with steak nutritious." This month Stuart D. Lyon, of Chicago, flings the challenge full into our teeth with this "hymn the hog with the ham delicious":

A HYMN TO HAM

First Course

Prate to me not of your life-giving cereals,
Ready-cooked breakfast foods—

"Oat Chips" and such,
Made of bizarre unsuspected materials,
"Alfalfa Shavings" don't interest me much.
I don't eat food 'cause the magazines asservate
It contains ten vitamins to the gram.
Give me the grub you just taste to appreciate,
Odorous, luscious, delectable HAM!

HAM!—when the snow falls and cold winds
are blowing!

HAM!—when the golf balls of summer are
going.

HAM!—when I meet it I humbly salaam.
Nice and nutritious and
Doubly delicious and
Best of all dishes is—HAM!

Second Course

Just because specialists say it is good for me
To partake freely of "Synthetic Hay,"
That doesn't mean that I think it's the food
for me

Unless my appetite's voting that way.
Fruits recommended for reasons geographied—
"Oregon Oranges"—"Javanese Jam"—
Cannot compare with the porker transmogrified
Into his highest estate which is—HAM!

HAM!—when I'm hungry and HAM when I'm
bursting,

HAM!—when I'm tired or chilly or thirsting,

HAM!—till I'm laid away, and when I am,
Singing, I hope to rise
Rocketing through the skies,
And find in Paradise—HAM!

"YOUR phrase, 'publishing money,'" writes a friend, "reminds me of a good line in a recent number of the A. B. A. Journal:

If we can create wealth by printing and issuing an abundance of paper money, why can't we spread wisdom by a free distribution of college diplomas?

WHITNEY GOIT, vice-president of the Admiral Hay Press Company of Kansas City, couldn't have had the November number of THE NATION'S BUSINESS more than 24 hours when he started this on its way eastward:

"Your article by Mr. Snow shows on page 18 of the current issue of your admirable publication a photograph of some cases going to Calcutta with the query printed as to whether



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AREE, legal blank publisher, 708 Walnut, Kan-
sas City, Mo.

they will be marked Valparaiso in 1923 rather
than Calcutta.

"They likely will if they are turned down or
the importer T. I. S. Co. fined because the
markings are not stencilled as they should be.
This is an elemental rule for steamship freight,
and any shipper worthy the name of exporter
should know it.

"This is one reason why importers in India
and Latvia, also Czecho-Slovakia, tear their
sparse locks when a shipment comes marked
USA."

Is interest in foreign trade and shipping
confined only to the seaboard cities?

Why should the Mississippi valley concern
itself with a merchant marine?

Does a subsidy mean taxing the middle
state business man for the benefit of the
New York banker and shipowners?

Between the lines of Mr. Goit's letter
can be read answers to these questions, and
there, too, can be found justification for the
articles which we print this month on ships
and their support.

AT THE annual convention of the Casket
Manufacturers' Association of America
in Atlantic City last month, a speaker sug-
gested that one way to beat the high cost
of funerals would be to reduce the number
of styles. "That," whispered a delegate to
his neighbor, "I'm afraid would be running
standardization into the ground."

MR. CHARLES FREDERICK CAR-
TER, author of various books on trans-
portation, commented the other day on the
story we ran of "Government Operation of
Railroads in Canada." "The case you made
against government operation was greatly
understated," says he. "Why, on a train in
Canada the other day there were 118 passen-
gers, and the conductor told me confidentially
that 92 of them were riding on passes."

A GENTLEMAN reader of this magazine
sends us the following story with the
suggestion that our readers will have a two-
fold interest in it, first, as an example of
something new in distribution, and second,
a distinct service of more personal applica-
tion, particularly to those who have children.
Here it is:

"A certain business man, prominent in
Chamber of Commerce circles, laid in a sup-
ply of bonded goods before Volsteadism be-
came effective, and has jealously guarded
it against all comers ever since. Last week,
his son, aged nine, purchased a half interest
in a lemonade stand, located at a busy corner.
Business was rotten, and the youngster, cast-
ing about for a way to stimulate trade, re-
membered that he had often seen his father
put something from a bottle into lemonade.

"He seemed to like it better," he told his
friends later, and so that his investment
might turn over more rapidly, the young
captain of industry entered the cellar, ob-
tained a bottle, and emptied it into the jar
of lemonade.

"Soon along came a thirsty truck driver.
'How much is your lemonade, kids?' he
queried. 'A penny a glass,' was the answer.
The driver bought, tasted, looked narrowly
at the youngsters, tasted again, smelled, and
then swallowed in huge gulps. 'Give me
another—give me two more—give me a
nickel's worth,' he cried.

"He bought a dime's worth before he
left, and then spread the news along the
street. Soon customers formed in line and
before dusk closed the stand's operations the
youngsters were richer by nearly \$10—and
(slow music) eleven bot-
tles had been emptied in-
to the lemonade supply."

BLAW-KNOX

*Like a Kite—
You can "Let it Out"
or "Pull it In"*

At any fu-
ture time you
can take down
the Prudential
Steel Building with-
out loss, and re-erect
or sell it. Your asset is
liquid rather than fixed.
And not expensive. The
initial cost of the

Prudential Steel Building
is very low. Good for a life-time.
Structural steel framework covered with gal-
vanized copper-bearing sheets—no painting
required. Absolutely weathertight—patented
leak-proof construction.
Before you decide upon any structure,
send for the complete facts about Pru-
dential Steel Buildings—buildings
which can be liquidated.
Blaw-Knox furnishes Prudential
Sectional Steel Buildings to meet
all building needs. Little to
big—fit any business where-
ever you need a roof.

**BLAW-KNOX
COMPANY**
632 Farmers Bank
Building
Pittsburgh, Pa.
District offices
and dis-
tributors in
principal
cities.

Large,
heavy,
special
buildings
fabricated
quickly from
material in
stock

Buy a
Prudential
and bank
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difference

PRUDENTIAL Sectional Steel BUILDINGS
with the Leak-proof Roof

**Business
Christmas
Cards**

**Steel Engraved in colors
with Envelopes to match**
Christmas is the time of the year
to mail an appreciation to your
customer which carries a warm
hand-clasp with it.
May we show you many styles of
Business Christmas Cards with-
out obligation on your part.
Orders should be placed now.

WE ALSO MAKE A SPECIALTY OF ENGRAVED
BUSINESS STATIONERY.

WRITE US ON YOUR BUSINESS STATIONERY.

McKENZIE ENGRAVING CO.
ESTABLISHED 1898
178 CONGRESS ST. BOSTON, MASS.

"Saving at the Spigot"—etc.

ASSETS three times the liabilities; a well-balanced line of standard equipment used by farmers; and a strong selling organization, backed by adequate advertising. These were the elements of strength in a large and prosperous business when unusual capital requirements forced it into the hands of receivers.

The volume of business was the largest in the history of the company. Satisfactory profits had been earned for many years. No one considered the difficulty more than temporary.

Determined to reduce expenses, the new management representing creditors radically changed the policy of the concern. Salesmen were laid off; advertising was canceled. The receivers proposed to run the business without selling or advertising expense, thus effecting, they believed, a great saving. But they were "saving at the spigot."

Additional borrowed money was used to convert a large stock of raw materials into finished products. The warehouses soon became jammed with manufactured goods.

The receivers, although unfamiliar with the business, were still unwilling to accept the advice of the old management. Various selling schemes were tried; not one gave any real relief. Now, with their sales organization shattered, they find themselves ill equipped to take advantage of improved business conditions.

They saved at the spigot but wasted at the bung hole

Selling expense, including adequate advertising, is a legitimate cost, as necessary as raw material and labor.

THE COUNTRY GENTLEMAN, with its weekly circulation of more than 800,000 copies, reaches the most progressive and influential farmers, East, West, North and South. It is also effective in reaching the country dealers who control the channels of distribution.

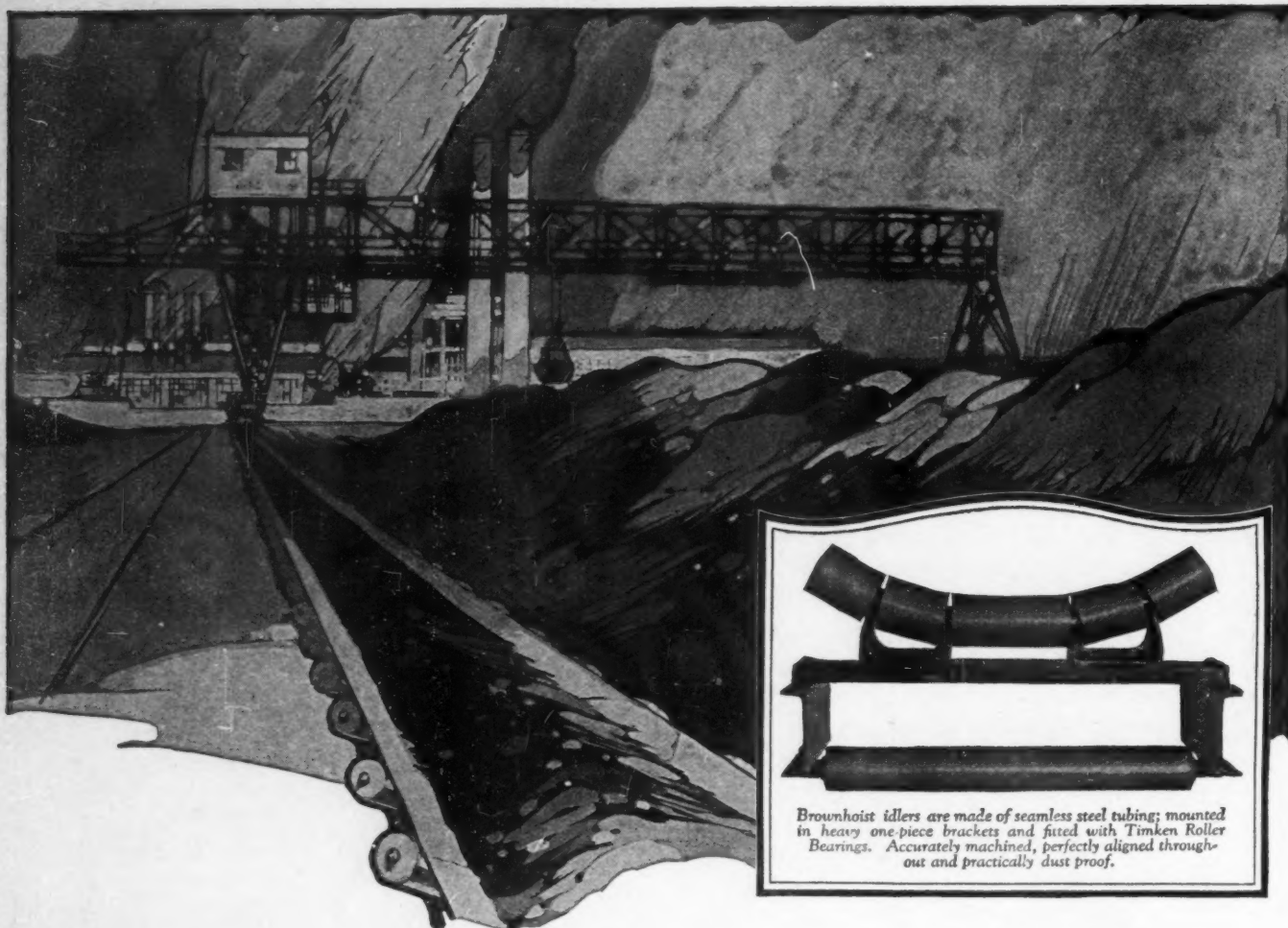
The trained market investigators of THE COUNTRY GENTLEMAN staff report that the better farmers are now buying freely. They are making improvements long delayed. Farmers' families are renewing their wardrobes and refurnishing homes.

Men who are responsible for the policies of manufacturers should see to it that this great farm market is not neglected in sales and advertising plans.

The COUNTRY GENTLEMAN

The Curtis Publishing Company, Independence Square, Philadelphia, Pennsylvania

The Country Gentleman The Saturday Evening Post The Ladies' Home Journal



Brownhoist idlers are made of seamless steel tubing; mounted in heavy one-piece brackets and fitted with Timken Roller Bearings. Accurately machined, perfectly aligned throughout and practically dust proof.

Built To Reduce Conveying Costs

Brownhoist Products

*Heavy Dock Machinery
Locomotive Cranes
Monorail Trolleys
Concrete Bunkers
Chain Conveyors
Belt Conveyors
Coal Crushers
Bridge Cranes
Buckets*

Literature on request

The first cost is of course important in choosing belt conveyor equipment. But, because that cost is spread over a long period of service, up-keep is a more important factor.

Realizing this, Brownhoist Belt Conveyors have been designed to reduce up-keep cost to a minimum.

Up-keep in belt conveyors is measured by wear on the belt and on the idlers and by power requirements. Brownhoist idlers are designed to give perfect alignment and a minimum of frictional resistance. Timken Roller Bearings are standard in all Brownhoist idlers and each bearing is greased by means of a high pressure lubrication system.

These features undoubtedly make the Brownhoist idlers last longer and assure longer life for the conveyor belt.

The Brown Hoisting Machinery Co., *Cleveland, Ohio*
Branch Offices: New York, Chicago, Pittsburgh, San Francisco, New Orleans

BROWNHOIST

M A T E R I A L H A N D L I N G E Q U I P M E N T

THE NATION'S BUSINESS

A Magazine for

Business Men

VOLUME 10, NUMBER 13

DECEMBER, 1922

Our Dollars Go Guarded Overseas

By FREDERICK SIMPICH

Of the United States Consular Service

UNCLE SAM right now is investing his dollars overseas faster than any nation ever did in all history. But up to 1899 we'd hardly made a start—compared to England, France, and Germany. At that time our whole foreign investment hardly totalled \$500,000,000. Our own great need for capital to develop our enormous domestic resources—and the fact that Europe was already developed and interest rates there accordingly low—was of course somewhat responsible for this.

But about this time, certain basic changes had already set in; and, even if there had been no World War, we would by now have been exporting dollars on a big scale. Among these changes were our magic rise as a manufacturing country, our improved diplomatic and consular service, the enormous increase in American travel and exports, and—of peculiar significance—the increased employment of Americans in industry, in mining, railway and bridge building abroad. Even in the 90's, Yankee engineers were known from Korea to the Transvaal, from Russia to Australia. More and more, as their numbers increased, these Americans—employed by foreign firms and governments—brought about increased buying and borrowing from the United States.

Of course, away back in the days of the clipper ships, our flag fluttered in every port from Penang to Punta Arenas, and we had a fair commercial foothold on foreign shores. We might even then soon have begun to invest in foreign lands—but for that historic slump, that change from sail to steam; then our civil war, and England's mastery of the seas. Because her experience holds a lesson for us it is worth while to glance hastily at the case of British oversea investments—investments that were bringing home to her fully a billion dollars a year when war came.

By 1914 England had put \$20,000,000,000 into foreign ventures—of one kind or another. This money was scattered through every habitable region of the globe, but half of it, or more, was invested in North and South America—regions in which she was not likely to be fighting, and where it would keep on earning in case of any war in Europe.

AS I WRITE this, my morning paper tells me that Chile is about to float an \$18,000,000 loan through the National City Bank of New York, and that an offer from the English Rothschilds was rejected. From the four corners of the world the nations are turning to this country for money. As never before, our financiers have taken their places among the great international bankers of the world.

Look at this list of foreign loans floated here from the armistice to the end of the fiscal year 1921-1922:

Great Britain	\$278,179,000
Canada	296,282,000
Australia	25,351,725
France	330,825,000
Italy	25,000,000
Belgium	107,500,000
Switzerland	67,000,000
Netherlands	57,270,000
Germany	220,000
Norway	33,690,000
Sweden	25,000,000
Denmark	90,000,000
Czecho-Slovakia	21,500,000
Jugo-Slavia	25,000,000
China	5,500,000
Brazil	190,000,000
Argentina	78,095,000
Chile	46,500,000
Bolivia	24,000,000
Uruguay	13,500,000
Dutch East Indies	100,000,000
Dominican Republic	6,700,000
Cuba	5,000,000
Philippine Islands	12,035,000
Hawaii	1,850,000

Total \$1,765,997,725

I do not give this as full or final. It is at best an approximation of day to day newspaper reports and it does not agree in every way with other estimates but it serves to show what the United States is doing and to raise the questions which Mr. Simpich answers here: How does the Government view this business, and what is it doing to guard the American dollar when it goes overseas?

Mr. Simpich, if anything, errs on the side of modesty when he tells what the State Department does, for the whole story of diplomacy can never be told.

THE EDITOR

So, when war actually broke, her vast investments abroad—out of the war zone—proved of enormous advantage. Remote from the scene of fighting, most of these investments continued to earn money. And, when England suddenly needed cash, she could and did readily realize—by selling perhaps one-fourth of her stocks and securities

in America and elsewhere—a sum amounting to about \$4,500,000,000. Not only did this supply her with ready money, but it helped her to “peg” her exchange at \$4.76.

So today, after fighting the greatest war of her history, what with her merchant fleet, her far-flung colonies of traders, planters, and bankers, her well organized consular and commercial diplomatic service and her long experience and world-wide knowledge she finds her position as a creditor nation not seriously impaired. From her overseas investments the returns are again coming in, not only in money but in a stream of goods and raw materials.

Many writers harping always on what we owed Europe before the war, tell only part of the story. Too often they fail to point out how much other countries *outside of Europe*, owed us. When London, Paris and Berlin were investing their millions in the States, it was because interest rates were attractive, and political conditions safe and sound. But by 1914 we, too, in order to develop our sources of supply and help pay for our growing imports of pulp wood, ores and minerals, hides, coffee, sugar, tobacco, etc., had begun investing—mostly in Canada, Mexico, Cuba, Latin America and the East, and had piled up a nice little total of about \$3,000,000,000 in foreign investments. In spite of our lack of merchant ships, at that time, we'd pushed into these countries as buyers on a big scale, and as contractors for railways, harbour works, public utilities, and as developers of oil fields, mines, packing houses and plantations.

So to such veteran American pioneers in foreign fields as W. R. Grace, the National Cash Register, the U. S. Shoe Machinery Corporation, the International Harvester, Singer, United Fruit, and the U. S. Rubber folks, to say nothing of Armour, Swift, the Standard

Oil and many other old timers, all these recent parrot-cries that “America must invest abroad” and that “To sell we should also buy” must bring a bit of an ear-ache! They had gone, seen and conquered, long before war shook the world.

Nobody knows, today, exactly what our overseas investments amount to and no de-

tailed analysis can be here attempted. Much of our exported capital—perhaps \$2,000,000,000—is up in Canada; Mexico, with maybe \$1,250,000,000, comes next; then Cuba, where \$600,000,000 or more is invested in the sugar industry; railways, etc. In the West Indies, in Central and Latin America—what with mines, railways, oil fields, packing plants, plantations, banking and industries, estimates vary all the way from \$800,000,000 to \$1,250,000,000.

In China, the Philippines, in the tin mines and rubber plantations of the Malay peninsula and in the Dutch Indies, there may be salted away \$150,000,000 or even \$200,000,000.

The Money that Moves South

GROSVENOR JONES, of the Department of Commerce, gives this estimate of our investments to the South:

"In the West Indies, outside of Cuba, and in Central and South America, our investments easily reach a total of \$800,000,000 to \$900,000,000 and may amount to as much as \$1,250,000,000, when account is taken of the large sums invested in mining enterprises—copper, silver, tin, iron, manganese, vanadium, nitrate and gold—in Chile, Peru, Bolivia, Brazil, Ecuador, Colombia, and the Central American States; in sugar plantations and mills in Porto Rico, Haiti, the Dominican Republic and Peru; in banana plantations in Jamaica, Colombia, Panama, Costa Rica, Nicaragua, Honduras, and Guatemala; and in oil lands and refineries in Colombia, Venezuela, and Peru, and quite recently in Argentina; in public utility enterprises in Porto Rico, Panama, and Guatemala; in railways in Guatemala and El Salvador, in addition to the railways and port works operated by the fruit companies; in meat packing plants in Argentina, Uruguay, Paraguay, and Brazil."

This list would include cotton and woolen mills in Peru and Chile and large lumber mills in southern Brazil which are owned by American concerns.

Among all American pioneers, no character ever was more picturesque than William Wheelwright, that Massachusetts Yankee, who long ago started the first steamship line on the west coast of South America. In vain he sought the help of American capital, and in the end financed his line with money borrowed in London. To find fuel for his boats he developed the first coal mines in southern Chile; he it was who conceived the first railroad over the Andes and in the railway history of Argentina he played a big role. He may be unknown to Americans, but his fame in Chile and Argentina is immortalized in marble and bronze.

Then there is that other Yankee, John Meiggs, who built the Central of Peru, which is, from an engineering standpoint perhaps the most remarkable railroad in the world.

Europe, as an investment field, has, of course, never appealed strongly to Americans, lacking as it does many opportunities for pioneer development work. Such American money as has gone into Europe, barring that which has been put into municipal and other securities, has been spent largely by veteran manufacturers like the American Radiator, the International Harvester, the Singer and the U. S. Shoe Machinery Companies, the electric companies, the Worthington Pump in the expansion of their European business—and by the Standard Oil Company. Then, too, because of the British Patent Law much American money has been invested in plants in England. Just what the total of Yankee

dollars invested in the British Isles and Europe—nobody seems to know. Exclusive of Standard Oil investments—and taking no count of such investments in Rumania and the Caucasus—guesses run all the way from \$200,000,000 to \$500,000,000.

To all this you must add the sum total of foreign government, municipal and industrial bonds and securities sold to American investors through banks in this country. According to a recent public statement by Mr. Crissinger, Comptroller of the Treasury, these sales have amounted since January 1, 1919, up to and including the first eight months of 1922 to \$2,631,000,000.

Regardless of war debts, then, and not counting our flyer in marks, kronen, rubles, etc., our foreign investments today must run somewhere around \$8,500,000,000.

C. K. Hobson in his book, "The Export of Capital," says that politics and finance usually go hand in hand. It is so today with Uncle Sam. Most of the work his ministers and consuls do is economic and financial. One of diplomacy's chief functions is treaty-making—and Uncle Sam has obtained for his merchants the benefits of more than forty commercial treaties. Into most of these is written that "little thing to look for, but big thing to find," the most-favored-nation clause. Often, in some faraway corner of the world, a quick-witted consul has saved a countryman's financial epidermis by recourse to this little phrase.

What May—and Does—Happen

SUPPOSE you're an oil man, all ready to bore in Oilyandria. You've trekked inland 200 miles—dragging your outfit over the mountain trails with mules; you've bought and paid for a watertight concession. Duty on equipment all duly paid—you've even paid for a permit to carry a gun—for "hunting" purposes. In fact, knowing how in Oilyandria soaking the foreigner is accounted a manly art, you've overlooked no precautions. But just here, when your derrick is rigged up and you're all set to go, up rides a delegation—headed by a commandante in uniform to say you must pay a special municipal fee of 10,000 pesos before you can bore or—and the commandante scrapes one cigarette-stained finger across his Adam's-apple in a crude but convincing gesture. Then, while wages of your idle gang run up, you trek back over the mountains, back to the nearest seaport and to the Sign of the Eagle.

"Come with me," says the Yankee consul. "We'll see about this. The Belgians and the British have been shooting wells on this coast for a year—I know for a fact they've never paid any ten thousand peso fees." . . . Then on to the Governor's.

"Si, Si, Senor Consul," admits the polite Governor. "My Commandante is a well-meaning man, zealous, but ignorant; ignorant that the great and happily friendly countries which you and I have the honor to represent have made a treaty, embodying the most-favored-nation clause . . . True it is, and just, as you say, Senor Consul; the Americano should pay no fee which the Belgians and the British do not pay . . . Let him proceed to penetrate the crust of our planet and add to my revenues."

And you proceed . . . And the Commandante and the Governor proceed—to frame up another touch, which the Yankee consul will frustrate—if he's shrewd enough, or lucky!

If, unhappily, some careless country's foot slips and undue hardship is imposed on the local colony of foreign bankers and traders, watchful diplomacy is quick to act.

It acts with that handy weapon, "joint representation." Suppose an American bank has set up a branch, away over in—well, in the new republic of Ukavania. Nice new accounts pour in; deposits pile up. One or two bond issues are marketed to American investors. Business is good—for a small branch with modest capital. Suddenly out comes an ukase, a new tax decree; all branch banks, owned by foreigners, will be taxed, not on their local capitalization, but on the capital of the home companies that own them!

Out from his snug office rushes the irate Manager of the American branch bank—out and away to tell his troubles to the Yankee Minister. And out and away, at the same pace, rush the managers of the British and Belgian branch banks, each hastening to his own legation. That afternoon there's an informal but earnest conference—and that night code clerks labor, and radio crackles, and next morning, on state tables in Washington, London and Brussels, certain messages appear.

Then economists and under-secretaries confer, instructions are drafted, initialed, signed and sent . . . And three ministers, a Yank, a Britisher and a Belgian arrive simultaneously at the Foreign Office in Ukavania, to make joint protest against a tax that is unduly burdensome, prohibitive, and against all modern commercial practice among free nations, etc., etc., etc. . . .

And Ukavania, thinking of needed loans from abroad, of reciprocity, of tariff wars and other blunt instruments of diplomatic warfare, repeals the tax decree. And thus again does Uncle Sam protect his citizens who venture into business overseas.

Sometimes, too, foreign governments request Uncle Sam to recommend an American financial expert, whose expert services they desire. Often this American adviser takes with him a group of other Yankees, experienced in tax, post office and customs work, for special duty on his staff in the borrowing country. W. W. Cumberland, once in the State Department, now holds a high position with the Government of Peru, under these circumstances. More recently Arthur C. Millspaugh, another American, went to Persia—accompanied by a Yankee staff, on a similar mission. Dr. Arthur N. Young, now economic adviser to the department, was formerly financial adviser to Honduras. Every undertaking of this character, if successful, brings us into closer relations with these oversea countries, and, instinctively, they turn more and more to us when in need of goods or money.

They Are Missionary Dollars, Too

IT GOES without saying that in many foreign countries where American money is invested, the people are enormously benefited. Often whole regions that would have lain dormant, wild and undeveloped, are raised to conditions of prosperity, bringing comfort and happiness to the whole people.

A dozen years ago most of the north coast of Honduras was an unhealthy jungle. Today, as a result of the American money of American banana growers, Honduras has more railways than any other country of Central America, all on the north coast.

France, when the World War broke, had about \$8,000,000,000 invested abroad. Germany had perhaps \$5,000,000,000. As was true of the British, an outstanding phase of French and German foreign trade was the stimulus imparted to it by the investment of capital in the countries to which goods were exported. It is, of course, an old rule that enterprises that owe their existence to



The simplest of city water works. Leathern bags carried by burros bring water to a Mexican community where it flows through the ox-horn faucets into the house-holder's pail. If a burro decides not to work, someone goes waterless. It is to replace such devices as these with sanitary waterworks—and incidentally to give work to American engineers and American manufacturers that our dollars are going abroad

foreign capital are inclined to purchase equipment and supplies in the land of their financial origin. By this same token, the willingness of foreign capitalists to assist in the development of a country creates a favorable attitude on the part of such a country's citizens and a readiness to entertain other business propositions.

The great strength of British trade in China today rests on the investment of British money in China's industrial enterprises and railways. These investments have brought to the British the virtual control of the Chinese maritime customs and the salt monopoly.

Of course it is the duty of American diplomacy to protect and support American business abroad, and to fight for equal opportunities for American investors. But it is easy to see how great the difficulties are which confront a Yankee minister or consul in his efforts to secure to American trade, in a country like China for example, the rights to which it is entitled by treaty, when rival nations—backed by large investments of capital and well organized control—are fighting to keep the market closed to all materials and equipment not of their own choice.

Diplomacy too, comes into play when bids are asked for supplies or jobs in the mandated areas.

One of the outstanding features of our present day policy has been the insistence by the American Government that its citizens shall have equal opportunities for trade and investments in the so-called mandated areas; that is, that Americans shall be on equal footing with the citizens of the nation which acts as guardian for the Kameruns, or New Guinea, or Mesopotamia, as the case may be. Not long ago, an American oil company wanted to send its geologists to explore in a certain old Bible land—and it was only after

diplomatic aid from Uncle Sam that the oil scouts got beyond the River Jordan.

When Uncle Sam's people inform him of loans they wish to make in foreign lands, he usually ascertains—through his ministers and consuls—that such a loan will not find its way into the hands of a rebel faction seeking to gain control of the local government, or that it is not to be dissipated in some doubtful venture. It is a general rule now that when foreigners come seeking loans, whether for the use of a government or individuals, it must be clear for what it is desired, before Uncle Sam will pass upon it.

Today it is the practice of American banking houses to inform the government of applications for loans made to them from abroad, and practically no foreign securities are offered for sale in the States—on a big scale—without at least learning whether Uncle Sam has any objection to offer from the viewpoint of public policy.

There is an old tradition, more or less exploded now, that foreign investments breed wars. In a few superheated regions—like the Near East—this might still be so. But in our own particular fields—like Canada—and Latin America, protected as it is by the Monroe Doctrine, this is not likely.

"Politics is the fate of the people," Napoleon told us. Rathenau, a century later, said that *Economics* is the fate of the people.

It is plainly true that so far as foreign investments go, their character nowadays is far more economic than political. Time was when a nation's influence beyond its own borders commonly took the form of colonization, or outright conquest. But penetration today is economic—more subtle; today it is the bankers and traders, not the admirals and generals, who guide the national expansion of virile countries.

Among foreign investments with a "gamey" political flavor—was the classical case of the Bagdad Railway and the German *drang nach Osten*. Maybe the claim to "spheres of influence" in certain Far Eastern regions, following the granting of railway and other concessions, falls into this same group.

But undoubtedly most of the world's

foreign investments today have no distinct political character.

We put two billion dollars into Canada—and no American sits up late to read Canadian election returns. Hundreds of American millions were invested in Cuban sugar farms and mills, after all talk of annexation had died. All the British, French and German millions that came to buy American shares before the war came because this country was safe, and interest was better than the rates over there—not for any political reason.

In fact, instead of causing war, foreign investments tend to head it off—especially since most of them are the result of purely private initiative.

He is a poor American indeed who feels no pride in Uncle Sam's position today as the world's creditor. What a national asset it is, this prestige that is ours, when all the people overseas come here to borrow money!

But it is no small task that has fallen to Uncle Sam, this new job of guardian and guide to 110,000,000 Americans who have a surplus of savings to invest over the sea—where the risk, as well as the interest is higher than at home. On his diplomats and consuls, too, it imposes a new and heavier burden—the burden of keeping him more accurately informed of conditions in these countries that want to borrow money, or have already absorbed it. Every American bank that lends money abroad, and every Yankee depositor whose money the bank is using, wants Uncle Sam to help him find out whether the foreign security offered is good.

Then, greatest and gravest of all obligations, is the moral responsibility which is America's, and which she has yet to shirk. Whether it's for relief of Jew or Gentile, Moslem or Chinaman, Uncle Sam's people have never failed to hear his call to help the needy of the earth.

When it comes to financing the Red Cross, for feeding Europe, or Russia, or fighting famines or typhus, we have never yet thrown our bread on the waters, with a string to it. On the other hand, if there's a good business opportunity somewhere overseas—we ask an even break with other nations.

Are We Exporting Bad Manners?

By P. W. WILSON

WHETHER Americans realize it or not, the silver screen is their empire, broader in its territories than the empires of Rome, of Babylon and of Britain, and governed with far more absolute despotism. Go where you will in England, in Canada, in Australia, even in India, and you will find first that the movie is mainly American.

About the American there has always been a certain God-given laziness. Wherever he can, he will save his wife trouble. For her sake he harnesses electricity to a flat-iron and links up the lightning with a washing-machine, a teakettle or a hair-curler. He adds and subtracts by machinery. He is seldom talkative except at the telephone. Where others merely perform, he radiates music. And in Fifth Avenue, where there are sometimes motor cars, he would rather build a lighthouse than ask a policeman to raise his hand.

But in none of his many inventions has the American scored such a triumph as in the movies. For in the



Now what this means is not merely that other countries must blink at American fade-outs, but that in practice no other fade-outs are at the moment possible. A first-class film costs \$300,000. It is only in the American market that you can get that \$300,000 back again. Unless, therefore, the foreign film gambles on the American market, it cannot be a first-class film. The idea of the film may be as advanced as those reeling five reels "Dr. Caligari" and "The Golem," but unless Americans want to be reeled at in just that way, the perspective, however curious and futurist, cannot be profitable. While Broadway, anxious for novelty, rather enjoyed this form of insanity, which was certainly a change, Main Street was inclined to throw things and once or twice did so.

And similarly with Lady Diana Manners in color. If Detroit prefers its pictures plain, you may be the daughter of a duchess and all that, but your rainbow will never end in a pot of gold. At the



movie he has not merely furnished a vehicle of communication, like wireless. The American movie is also the very thing communicated. It is the letter as well as the envelope. It is

the ice-cream soda as well as the straw. The very mind of Mary Miles Minter and the precise ideals of Jackie Coogan are impressed on the hearts and consciences of the human race. When Will Hays wills, there is no won't anywhere in this wide world.

The Greeks themselves never established a lordship over art comparable with Adolph Zukor's. As a sculptor, Phidias had, of course, a certain vogue, but what, after all, were his rights worth, say, in China? Not long ago, their majesties, the Pickfords, visited the finals of lawn tennis at Wimbledon, near London. King George and the Queen happened to be present, but comparatively unnoticed. For when our Mary was discovered the crowd broke from its moorings, invaded the court and would recognize but one empress therein. Among the high-brows of Bootle near Liverpool Harold Lloyd is taken much more seriously than Herbert Hoover, and when recently there was a regrettable accident by fire to the

ample folds of Charlie Chaplin's trousers, it made bigger news in London than any European conflagration then proceeding.

I am far from suggesting that the predominance of the American in the movie is due entirely to American intellect. For there is the old saying that where the treasure is, there will the art be also. As Rudyard Kipling would not of course say in an interview with Clare Sheridan, as long as the Americans have the gold, there will always be plenty of other people ready and willing to look after the American soul.

Here is Morris Gest importing millions of Muscovites with music all their own. And here is Elizabeth Marbury also importing whatever Muscovites Morris Gest has left behind. And apart from the epidemic of Muscovitis, here is George Arliss, an Englishman, remaining in America as the miniature Irving and establishing a highly questionable reputation for himself as the one man who can "play God," play "the Devil" and play missing links like Disraeli and the Indian rajah, with equal facility. Even Mary Pickford is a Canadian, while Charlie Chaplin is nothing more nor less than a London Cockney. Devotees of the screen all over the world have been drawn, like Pola Negri herself, by the magnetism of bullion, for, other things being equal, they prefer being paid.

moment, De Forrester is bringing over his talkies. The question for him, too, is the verdict of the United States, which is by no means certain to be favorable.

Out of the international movie thus produced nationally, there have arisen already some delicate problems. On the screen, Americans would prefer of course to see the shipwrecked heroine rescued by their own chivalrous "gobs" than by British "tars." That is human nature, but it also means that the British on their side would prefer to see their own navy steam into the happy denouement.

Again, Americans who specialize as a people on the good time see no reason for a sad ending. Whereas the Germans, when they make a film, are never so joyous as when they are chopping off people's heads, whether with a guillotine or an axe or any other expeditious instrument. In one year, Lubitsch, Janning and Company have thus decapitated the Dubarry, Danton and Ann Boleyn. It is in tragedy that they revel. No German would ever think of shooting the hero through the heart, only to show him afterwards blissfully convalescent in the arms of the repentant heroine. When a

man is killed in Germany, he has got to die.

Also it is evident that, with most of the films made in and for America, you have a much more accurate presentation of American manners and customs on the screen than of the manners and customs of any other nation. I am told that when Los Angeles wanted to reconstruct the British House of Commons, they could not find in all California one full-bottomed wig for the speaker. In films that must have cost a fabulous sum I have seen titles with the most absurd mistakes in etiquette; for instance, a countess as the wife of a duke, and other lapses. For the American market this does not matter, since over here people are all created equal anyhow, but for old England, that is the kind of things that might, if pressed too far, lead to war. Hollywood cannot be too careful of the British aristocracy.

Then, prohibition. As a lifelong teetotaler, I have always been ready to obey this humane law, but in England there are still a number of people who do every occasionally take a glass of wine. These people are not otherwise particularly degraded, and in their own countries they are not held guilty of breaking the eleventh commandment, which doesn't there exist, or even the other ten. The convention whereby the American film must depict booze as a symbol of degeneration is not a convention that foreigners can be expected for the present to share. And here enters the censor.

It is not only for the United States that

of a spy, heroic, patriotic, but still a spy, and above all a spy who can hardly be permitted to marry a white woman. There is here raised the very issue of race equality which at Versailles was presented by the Japanese to the embarrassed President Woodrow Wilson. The Japanese are as pleased about it as the Parisians were pleased over Griffith's delicate indications of their revolutionary characteristics in "Orphans of the Storm."

The movie is thus the self-portraiture of the western nations to the eastern nations. However many missionaries we may send out, the unconverted and the converted, too, will be affected not less by what they are shown of our cabarets and our motor-cars than by what they are told of our churches and chapels.

Some months ago I devoted a whole day to finding out as many new crimes as I could from the picture palaces. I can honestly claim that when I went home, I was, in theory at any rate, an accomplished crook. With my imaginary stethoscope, I could read the combination of a safe. With little bits of phosphorus I could destroy the wheat harvests of the middle west. By means of wire attached to a

Spain sitting intent to watch the three or four million feet of American film she buys each year. Does the man of Seville find the same thrill in watching Bill Hart on horse-back herding cattle as he would in seeing his favorite toreador or matador or picador or whatever his title may be, in flesh and blood facing a flesh and blood bull? And what would he think of Rodolph Valentino as a bull fighter? And what sort of an idea do the British East Indies get of life on Fifth Avenue and in the Ozark Mountains as they see them in the moving pictures? And last year the British East Indies spent a quarter of a million on American films.

So it's not only a matter of exporting impressions of America. It's a matter of



quarter, I could teach my younger children how to cheat the gas-machine. And there were other equally valuable secrets disclosed.

Some of these things were supposed to be funny and others were supposed to be smart, but the trouble abroad is that, whether funny or smart, they are put before the public as American. Polly Smith of Sheffield in England as she sits in the dark with Jim Jones, also of that city, each holding a hand of the other, has no means of knowing that here in the cinema is a travesty, only designed to amuse Americans by its very exaggeration!

To every quarter of the globe the American moving picture actor goes and the export of him—and her—is measured by hundreds of millions of feet and millions of dollars. In 1920 we shipped 175 million feet of Pickfords, Fairbankses, Chaplins and Harts and they were worth \$8,000,000. That was a banner year, but in the first eight months of 1922 we scattered abroad a hundred million feet, a gain over 1921 of nearly twenty per cent.

And where do they go? Everywhere! Call the roll of countries. Our neighbors on the North and South will answer, and so will Japan and Argentina and the East Indies. For the first eight months of this year, Australia was our best customer and Canada a close second, and Argentina and the United Kingdom almost tied for third place.

It strains the imagination to picture



shipping actual merchandise and getting back six or eight million dollars a year for it.

And it's not entirely a one way trade. Up to September of this year we had brought some five and a half

million feet of film from abroad, but for every foot we get from Germany or France there go away fifteen or twenty feet to give our customers abroad—or many of them—their chief impressions of the United States.

Hence has arisen the legend of unbounded wealth in this country. That some few fortunate Americans have enough to live on is perfectly true, but that this is a land where any Cinderella who happens to have bobbed her hair is able by sheer luck to disport herself in satins and pearls, as a princess in a marble palace, is the very reverse of the facts.

Americans probably live a little more luxuriously than other nations but, like other nations, they only so live by work. Most of the homes are modest homes; most of the incomes are modest incomes. And most of the clothes are modest clothes. The movie shows us what we want, not what we have. We see a table laid for dinner and we see it close. We thus learn how to behave at such a table and how funny we look when we don't so behave. We learn that poor as well as rich ought to display the chivalrous manner.

Above all, we see that nobody can expect to face the camera with success who is not self-disciplined and in constant physical training. It is the athletics, the courage required in the movies, that corrects the decadence. The stars may be shooting stars, but they must shoot straight. The armies of Los Angeles, including the Amazons, who have conquered the American Empire and still hold it in subjection, at least excel in courage, quickness of hand and eye, and in profile.

the American censor censors. He or she is the conscience of the whole world. And very peculiar are some of the results. To the American, opium is a drug to be stamped out. But to some Indian prince like the Jam of Nawanagar, better known as Ranjitsinhji, the champion cricketer, opium is, as he told the astounded League of Nations at Geneva, no more than a cup of tea of an afternoon. The Indian, on the other hand, is profoundly shocked at seeing high-born ladies in evening dress, while Japan considers it positively disgusting to kiss. There is a story that the Japanese gathered together all the American film that they could find and cut out all the kisses, which they then pieced together as a continuous picture which they released as an authentic panorama of western civilization.

One of the most revealing incidents is the unpopularity of the Japanese star Sessakue in his own country. To the director of the American picture, his rôle is obviously that

Why Is a Railroad President?

By CHARLES FREDERICK CARTER

Author of "When Railroads Were New"

FIVE railroad executives, the first, second, third, fourth and seventh highest paid in the United States, with offices in New York City, receive salaries aggregating \$424,674, an average of \$84,934 a year, according to information made available by the Interstate Commerce Commission.

Why, then, is a railroad president? What does he do that makes him worthy of his hire?

If there is any answer to this conundrum, it should be found by getting right down to the proverbial brass tacks with precise information about specific acts of particular men. Suppose we begin the quest on the New York Central Lines, which serve twelve states having a little more than half the total population of the nation and producing 64 per cent of all manufactured goods. The New York Central Lines haul nearly 12 per cent of the total tonnage moved in the United States. Cities and towns along the main line between New York and Chicago alone have a population of more than 12,000,000 or, roughly, 11 per cent of the population of the United States. This gives an average of more than 12,000 inhabitants to every mile of road. A good many people are interested, therefore, in the extent, if any, to which the president of the New York Central takes advantage of his opportunities for service.

President A. H. Smith is the highest paid President, his salary being exceeded only by two chairmen of railroad boards. If, as union leaders would tell us, labor creates all wealth and railroad presidents none, at least President Smith can devote his efforts to saving as much of it as he can. And he certainly does save money in large quantities.

For example, when the great war began in 1914, President Smith got the idea firmly fixed in his mind that it would be prudent to lay in a liberal supply of equipment at prevailing prices. He was warned that he was cherishing a costly delusion; that the war would not last long; that when it was over the bottom would drop out of prices and then he could buy equipment for nothing worth mentioning.

Ignoring all this advice, which cost him nothing, President Smith went right ahead contracting right and left until he had placed orders for 734 locomotives, 445 passenger cars and 38,052 freight cars at an aggregate cost of \$84,324,736. By the time this new equipment was all delivered the tremendous war traffic jam was in full swing. Labor was then so scarce that the New York Central could not then have supplied its needs; but if it could have done so the aggregate price at 1917 rates would have been \$193,028,610. By buying at the right time

President Smith saved his company \$108,703,874 and, besides, had the equipment when it was most desperately needed.

One result was that when England gave warning that the Allies could not hold out unless supplies from American were speeded up, the New York Central was functioning at 100 per cent efficiency, which is more than can be said of some railroads.

Shortly before the end of federal control President Smith concluded to buy 170,000 tons of rails at the prevailing rate for future delivery. Before the purchase had been delivered the price had advanced \$10 a ton. Net saving credited to presidential foresight, \$1,700,000.

Seeing still another chance to get in at

be sure; but a hired man must be compensated on some sort of basis. If railroading be regarded as a profession the president's position might be compared with that of an architect. An architect often works for a commission ranging from 6 per cent on moderate dwellings to 10 per cent for important structures. If President Smith were entitled to the higher commission, 10 per cent on the sum named as saved would pay his salary for 1,599 years. To put it another way, the New York Central made a clear profit of \$124,776,674 after deducting the president's salary for the eight years covered in these three transactions from the sums saved.

This calls to mind another little stroke

by President Smith. About a year ago he decided that the New York Central must have some more motive power. It should be more or less obvious that the most efficient locomotive is the best money maker. President Smith assembled his own staff of specialists, aided by others from two locomotive works, and set them to work to produce the last word in steam locomotives. They were to incorporate every device that had been proved valuable and to add whatever was needed to mark the greatest advance yet achieved. A locomotive was planned and constructed under President Smith's personal direction. It contains numerous features never before incorporated in a locomotive.

It was built in secret at the Lima Locomotive Works and tested on the Michigan Central between Toledo and Detroit last June. The first train consisted of 138 cars, or 9,254 tons, hauled 47 miles in 3 hours 31 minutes. Six days later the new locomotive hauled 147 cars, making a train more than a mile long, totaling 10,039 tons without assistance. It was the biggest load ever moved by a single locomotive.

By increasing weight only 1.8 per cent over locomotives of similar type the maximum tractive effort was increased 26.3 per cent. The evaporation of water per pound of fuel was

phenomenal, being an average of 9.7 pounds. In other words, this new type of locomotive will deliver more power in proportion to weight and exert more tractive power per ton of coal consumed than any locomotive ever built and, besides, is easier to operate and repair than any of its predecessors, owing to numberless refinements, all of which make it easier to keep in service, earning money.

So notable was the success of the new locomotive that an order for 190 more of the same type has been placed for quick delivery. The new locomotives will cost approximately \$13,850,000, and they will be

How One Railroad President Divides His Working Time

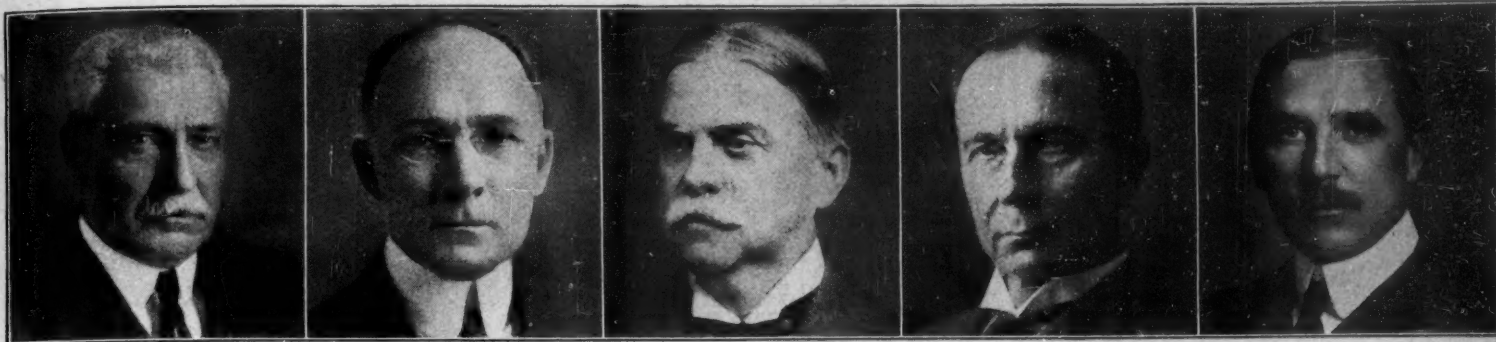
THE average president spends half his time on the road, commuting to Washington in response to summons from Congress or some of his numerous other bosses, or on his own lines in his private car, which is merely an office on wheels, the other half of his time at headquarters. His working day begins from 8 to 9.30 a. m. and ends from 4.30 to 10.30 p. m. No extra pay for overtime. No two days' work are alike. One railroad president thus divided up his year's working time:

SUBJECT	Percentage of time
Personal appearances or consultation with representatives to appear before legislative or regulative bodies .....	.18
Labor, personnel, wages, working conditions, employment, dismissals, discipline, transfers of employees .....	.10
Purchases .....	.09
Mechanical equipment .....	.08
Correspondence, orders, telegrams .....	.08
Freight traffic .....	.08
At the telephone .....	.07
Engineering, new construction, grade crossings.....	.06
Finance, intercorporate relations .....	.05
Passenger traffic .....	.05
Accounting, statistics, reports .....	.04
Legal .....	.04
Terminal management, large cities .....	.02
Development activities, industrial, agricultural.....	.02
Dinners, Luncheons by Chambers of Commerce, etc.	.02
Miscellaneous callers, including personal friends....	.02
	100

the low point of the market, which seemed invisible to most other eyes, President Smith squandered \$50,000,000 of the New York Central's hard-earned money for cars and locomotives in the early part of this year. Prices have advanced 30 per cent since the order was placed so that if a million saved is a million earned the New York Central can credit itself with \$15,000,000. Anyway, it has the new equipment now when it is needed, and it is busy earning money for the 120,000 investors in its securities.

In these three deals alone President Smith's judgment saved his employers \$125,403,874. That is one of the things he is hired for, to

These Men Not Only Get, They *Earn* Big Salaries



capable of earning a gross income of \$10,000,000 a year more than the same number of engines of inferior type under conditions like those prevailing in the fall of 1922.

One of the notable advances in transportation is the container car, which is President Smith's own invention. This is a gondola type car built to hold from seven to nine steel boxes or containers, those for mail, now in regular service between New York and Chicago, being 7 feet 2½ inches long, 9 feet 3½ inches wide, 8 feet 2 inches high, weighing 3,000 pounds and having a capacity of 7,000 pounds. Freight containers are smaller. These containers are weather, fire and burglar proof. They are meant to be hauled on a truck from the shipper's door to the railroad, loaded by crane on the car, and then hauled at destination to the door of the consignee.

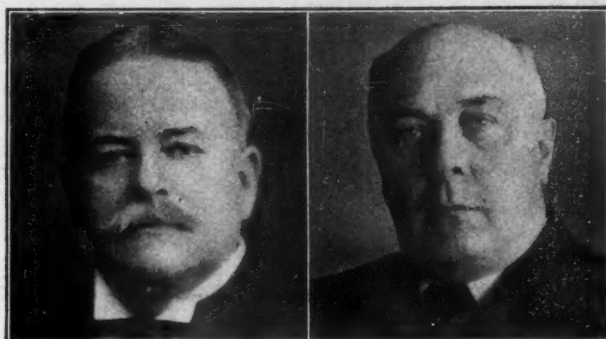
But that is enough about the material achievements of one man. It only remains to add that President Smith has the other qualities that go to make up a successful executive, the insight to select the right kind of subordinates and keep them at concert pitch, an unconquerable optimism and the capacity to get along without worry, to make up the picture of a man who ought to be worth his salary, whatever it is.

As chairman of the Executive Committee of the Southern Pacific, Julius Kruttschnitt draws the second largest salary paid to a railway executive, if you can believe the Interstate Commerce Commission. It should be of interest to know, therefore, what he does to justify the continued presence of his name on the pay roll.

Some years ago he received a report of an accident from a superintendent which concluded with the assertion that the cause of the accident was unknown. Mr. Kruttschnitt returned the report with the suggestion that perhaps if the superintendent didn't know the cause he would do well to find it. Unless they knew the cause of an accident they never could make headway in preventing its recurrence, he said. He announced that thereafter he would reject a report saying the cause of an accident was unknown.

Mr. Kruttschnitt issued an order, still in effect, that whenever an accident occurred a board of inquiry should forthwith be instituted consisting of the division superintendent, his engineering assistant and motive power assistant and an outsider to ascertain the cause and allocate the responsibility. The idea in including an outsider was that while he might not know very much about railroading technic he could at least decide whether the investigation was bona fide.

Reporters were not invited to these investigations, but were always welcome; and



Not so long ago men were agitating for "worker control" of the railroads. There was no executive function assigned which could not be performed by a committee of employees. They could do without these seven men, who in 1919, as testified at a Congressional hearing, received salaries of nearly \$600,000. At the top from left to right are: Samuel Rea, Walker D. Hines, W. H. Truesdale, Robert S. Lovett, A. H. Smith. Below, from left to right are Julius Kruttschnitt and F. D. Underwood

always a report of the findings was given to the press. This put an effective stop to sensational misrepresentation.

If the board of inquiry was unable to reach a conclusion, a second board was summoned by the general manager, consisting of the general superintendent, superintendent of motive power and engineer of maintenance of way, and an outsider, thus paralleling the first board, but a step higher up. If the second board failed to assign a cause for the accident, the general manager was instructed to convene a third board composed altogether of competent outsiders. The fact that the company was not afraid to call in outsiders was such a stimulus to thoroughness that the first board of inquiry nearly always finished the job. In only one case was it necessary for the general manager to convene a third board.

In two cases in which the first and second boards failed to find the cause of accidents instructions were given to take a locomotive, reproduce the conditions under which the accident occurred and see if the accident could be reproduced. Of course the locomotive was run at low speed so that nothing worse than the derailment occurred.

Now for results: As the most satisfactory unit for measuring progress Mr. Kruttschnitt himself determined on one million locomotive miles. When the scheme was put in effect there had been an average of 52 train accidents per million locomotive miles. This rate was reduced to 6 per million locomotive miles and held there for a period of six years up to the beginning of the McAdoo reign, when it went up to 14, where it was

pegged until the roads were turned back to their owners. Again the rate is declining, and Mr. Kruttschnitt expresses the hope that it may be reduced to less than 6 per million locomotive miles.

One result of the Kruttschnitt method of fixing responsibility was that in the eight years from 1910 to the beginning of 1918, during which the Southern Pacific carried 320,000,000 passengers, just one passenger lost his life in a train accident, and that was an aged passenger who died as the result of shock in a derailment in 1914.

The Southern Pacific was awarded the first Harrison gold medal in 1913 for the best record in accident prevention.

Measured in dollars and cents this idea of finding and fixing responsibility so that adequate measures could be taken to prevent the repetition of accidents has been worth very large sums to the company by preventing litigation and improving service.

For years Mr. Kruttschnitt has been making a study of the reduction of dead loads. A locomotive burns just as much fuel to haul a ton of superfluous weight in a car as it does to haul a ton of paying freight. The 1920 design of Southern Pacific box car has 16 per cent less dead weight than a McAdoo standardized car of the same cubic capacity. The percentage of non-revenue weight to total weight of a loaded Southern Pacific car is less than 29; that of a McAdoo car is more than 32 per cent. Yet the Southern Pacific car is not only much lighter but is very much stronger.

Translated into dollars and cents, all this means that it costs the Southern Pacific \$101 a year less to haul one of its new-design box cars than to haul a federal standard car of the same earning capacity. Multiply \$101 by the thousand of cars a railroad company must have, or by the millions in daily use in the whole country, and you may form some conception of what an executive who never does any wealth-producing labor is worth in the economy of a railroad.

Fourth in the list of American railroad executives, measured by the size of his salary, is F. D. Underwood, president of the Erie for the last twenty years. The poor old Erie was about ready for the undertaker when Underwood took the President's desk.

Underwood contrived to find \$68,000,000 in the first thirteen years of his management, part of it taken from earnings, to invest in reducing grades, straightening curves, adding second track, buying new equipment and otherwise improving facilities until the Erie accomplished the unbelievable feat of doubling its tonnage while actually reducing its freight train mileage.

Although the mileage of the Erie has been

increased less than 300 miles in twenty years, its earnings have increased from \$38,000,000 to \$113,539,000, although freight rates have increased only 67 per cent. In other words, Underwood's management means an increase of \$50,000,000 a year in gross earnings over and above what can be attributed to increased rates, which would seem to substantiate the charge that "Underwood is the best operating man in the country."

Once upon a time Underwood belonged to the great army of labor which Produces All Wealth. That is to say, he had a good job as brakeman at \$45 a month. His income for one year since he quit work and became president would pay his salary as brakeman for 144 years. Is he worth it?

Or take L. F. Loree, president of the Delaware & Hudson, chairman of the Kansas City Southern, director on a score of other railroad boards and chairman of the Eastern Presidents' Conference, the best known railroad surgeon in America. When a railroad develops symptoms of an impending receivership, which corresponds to appendicitis in a human being, it is Dr. Loree who is most frequently sent for. It was Dr. Loree who took the Kansas City Southern

when it was almost at its last gasp in 1906 and pulled it through until now it is one of the best equipped and operated and most profitable roads in the southwest. The Delaware & Hudson was tottering into bankruptcy when Dr. Loree performed an emergency operation with the patient on the kitchen table. The Delaware & Hudson recovered so completely that it has been paying dividends of 9 per cent ever since, which is more than some other roads pay.

Some economists have appraised the economic value of average human beings at \$3,000. Surgeons do not hesitate to charge \$500 for a major operation, or 16 2/3 per cent of the patient's cash value. The capitalization of the three roads mentioned upon which Dr. Loree performed major operations, all of which have paid dividends regularly since, is \$997,548,000. His fee, at the customary surgeon specialist's ratio of 16 2/3 per cent, would be \$166,201,000.

This, however, is but a small fraction of Mr. Loree's work. He originated the railroad police force as now employed on all roads; he invented the upper quadrant semaphore signal now standard; introduced the articulated locomotive and Walschaert valve

gear in America; was a pioneer in the use of modern freight cars and locomotives, and in a great variety of ways has contributed to the advancement of railroading.

All this tends to the irresistible conclusion that ever since Commodore Vanderbilt established the precedent, the success of railroad systems has been attributable to dominating personalities in the presidential chair and not to fortuitous circumstances nor superior governmental wisdom. If the big personality is taken away, the road soon begins to languish.

If enough examples have not been cited, remember J. J. Hill, who built a great and profitable system on a shoestring; E. H. Harriman, who purchased the Union Pacific at a bankruptcy sale and developed it into a great system; E. P. Ripley, who took the Santa Fe, a pathetic wreck after its reorganization, and developed it into a magnificent property; C. P. Huntington, who developed the Southern Pacific; or Col. J. M. Schoonmaker, who built and has ever since directed the Pittsburg and Lake Erie, the biggest little railroad on earth, a nine days' wonder as a money maker.

Save the Coal That's Hard to Buy

By O. P. HOOD

Chief Mechanical Engineer, U. S. Bureau of Mines

AS A NATION we are not thrifty in our use of fuel. It is a part of the largeness of life in America that we can spend our resources in a princely manner, somewhat forgetful of the cost and almost wholly forgetful of the morrow.

We are far from pinching poverty of that Chinese community which depends for artificial heat on the wheat plant which they pull up stalk by stalk in order to save stalk and root for fuel. And yet they live through winters as severe as those of North Dakota. We are also far from the European thrift that, in a less severe climate, finds it necessary to save even the small twigs and brush from every tree for domestic fires, or that has found it necessary to develop fuels having from 50 to 90 per cent of water.

The people of our country had to burn an excess of timber and twig in order to clear a forested land for crop raising, and our light esteem for carbon still follows us. When our time comes to pinch and to save we can, doubtless, do it, for our knowledge of how to use fuels efficiently is far beyond our usual practice. Conditions in this respect are different from what they were a generation ago. Our best boiler plants are now reaching the limit of possible fuel efficiency. While common practice in small plants probably puts less than 60 per cent of the heat of the fuel into steam, our highest recorded result shows that 90 per cent of the heat can be put into steam. Day by day practice can realize 80 per cent. Could average practice be brought up to the very best practice, about one-third less coal would be needed to produce the same amount of steam.

This does not tell the whole story of saving, by any means, for in plants having superior boiler-room control similar high-class practice in steam-using devices will return two or three times as much electric current for a given steam consumption as do common, small plants. All this is made possible, not by taking advantage of some revolutionary or mysterious new invention, but

by painstaking application of what we already know as good engineering practice.

One of the places where greater care and attention is needed is in the means provided for training firemen. The fireman is the man who actually disposes of a large part of our fuel. In general, he occupies a place comparable to that of the most common laborer. A new man must pick up his information from his mates, who in turn have obtained their information in the same way. If he is a really good man he soon graduates from the fireroom, and another new man repeats the process. Organized instruction and elevation of the fireman's business will be a necessary part of raising the general level of practice in using coal.

The large holding companies find that it pays to employ plant betterment engineers, who go from plant to plant tuning up the process in each detail, improving efficiency and bettering service. They usually begin in the boiler room as the place where economies are most quickly reflected in cost sheets. The process of combustion in the furnaces and the general fuel practice are very carefully studied, applying the best scientific knowledge and methods.

Small organizations cannot singly afford to do so much, but it might be possible to form groups that could support and profit by such service. In Germany, where technical service is relatively cheap, such group technical control has been extensively developed. A group of industries contribute to a common fund in proportion to the boiler capacity of each. This is used to maintain a circulating engineering staff that instructs firemen, tests boilers, makes minor recommendations as to improvements in practice and requirement, and brings to the attention of management changes that have improved other plants.

It is too often assumed that refinement of practice and reduction of cost can be brought about by buying apparatus rather than brains. Our general boiler-room practice has often sadly needed equipment for re-

cording the actual performance hour by hour; scales for weighing coal; meters for determining the amount of steam made; instruments for indicating the completeness of combustion of the coal burned.

But where boiler-room instruments and accessories have been lavishly provided, it is soon discovered that they will not by themselves produce improved results; that brains are needed to interpret the indications and to keep the instruments in use.

In the old days the fireman's job was a stepping stone to a place in the engine room. Things have changed, and the post-graduate course in steam engineering is more likely, in the future, to be taken in the boiler room, controlling complete combustion.

These same refinements are needed in other fuel-burning industries than in the making of steam. In the ceramic industries, in the distillation of oil, in the burning of gasoline in engines, the careful study of the combustion process leads to much needed economies. In burning brick and tile a third of the coal was easily saved by a few weeks' careful study of the heat problem. In distilling petroleum such a study reduced the fuel a third and increased the capacity a third at the same time. Studying the same process of combustion in burning gasoline in a fleet of big trucks cut the fuel required a quarter.

This more careful study of combustion will frequently lead to the use of lower grade and cheaper fuels in place of special fuels which have heretofore been thought necessary. Nature has given us some of the most desirable fuels in the world. It seems a pity that they must be used for purposes less than their greatest usefulness.

Other great nations are seriously worried over their fuel problems, and they are using fuels of a grade far below anything in use in this country. We are beginning to take our fuel problem a little more seriously and to really desire efficient use, and we will find the study one worthy of our best thinking and endeavor.

A City-Bred Moses for the Farmer

By SILAS BENT

TO THE American farmer, long the worst business man in Christendom, the gospel of sound economics is being carried by a trinity of expert trading brains. Bernard M. Baruch, Eugene Meyer and Aaron Sapiro, all Jews, all college-bred, all city men, all urbane and urban to the last inch, are doing the lion's share of the work of adjusting agriculture to the vast machinery of American production and distribution; these three, and the greatest of these, in practical help to the farmer, is Sapiro.

It is the irony of circumstance that the greatest should be the least known to the public. Baruch, moving amid the glamour of millions acquired in successful Wall Street manipulations, could not, if he would, escape publicity when he turned his attention to agricultural problems and began giving long-headed, shrewd advice; nor could Meyer, a former Wall Street banker, any more escape attention when, as head of the revived War Finance Corporation, he lent \$165,000,000 to cooperatives. Sapiro's efforts were less spectacular. He organized, one after another, thirty cooperative selling organizations, all of which proved practicable and profitable; and he is now counsel for sixty of them which handle total annual products approaching the half-billion-dollar mark.

There are two secrets about the education Sapiro is imparting to the farmer which I am going to give away at the outset. The first is that the road out lies through sound economics, not through political action; and in driving this home he has

for effective use the horrible example of the North Dakota experiment. The second is the difference between cooperative consumption and cooperative marketing.

The continued existence of the "farm bloc" in Congress is sufficient proof that the farmer has not fully assimilated the first of these lessons. He has been too long accustomed to straying after strange leaders. He still has a hankering for "cheap money" and for political panaceas.

"But," says Sapiro in effect, "your salvation lies in cooperation; and you cannot cooperate by political action. Cooperation is a business matter, and if it is to be effective it must be applied at the selling end. You must find markets, and where they don't exist you must create them. That is not a matter of congressional debate or enactment."

The difference between buying and selling cooperatively is somewhat easier of explanation, for Sapiro is one of the most lucid and persuasive speakers at large. It is a matter of record that no political spellbinder, not even William Jennings Bryan in his palmyest day, has ever been able to hold the attention of a farmer audience so long as Sapiro. He talked to a group of Kentucky tobacco growers to the tune of more than 30,000 words—a plump novelette, if you care to know, or three solid pages of your newspaper—and not one restive planter left during all that long address, except for food.

Reared in a California orphan asylum, and educated in law through the severest exposure to hard knocks and hard work, Sapiro began his professional ca-

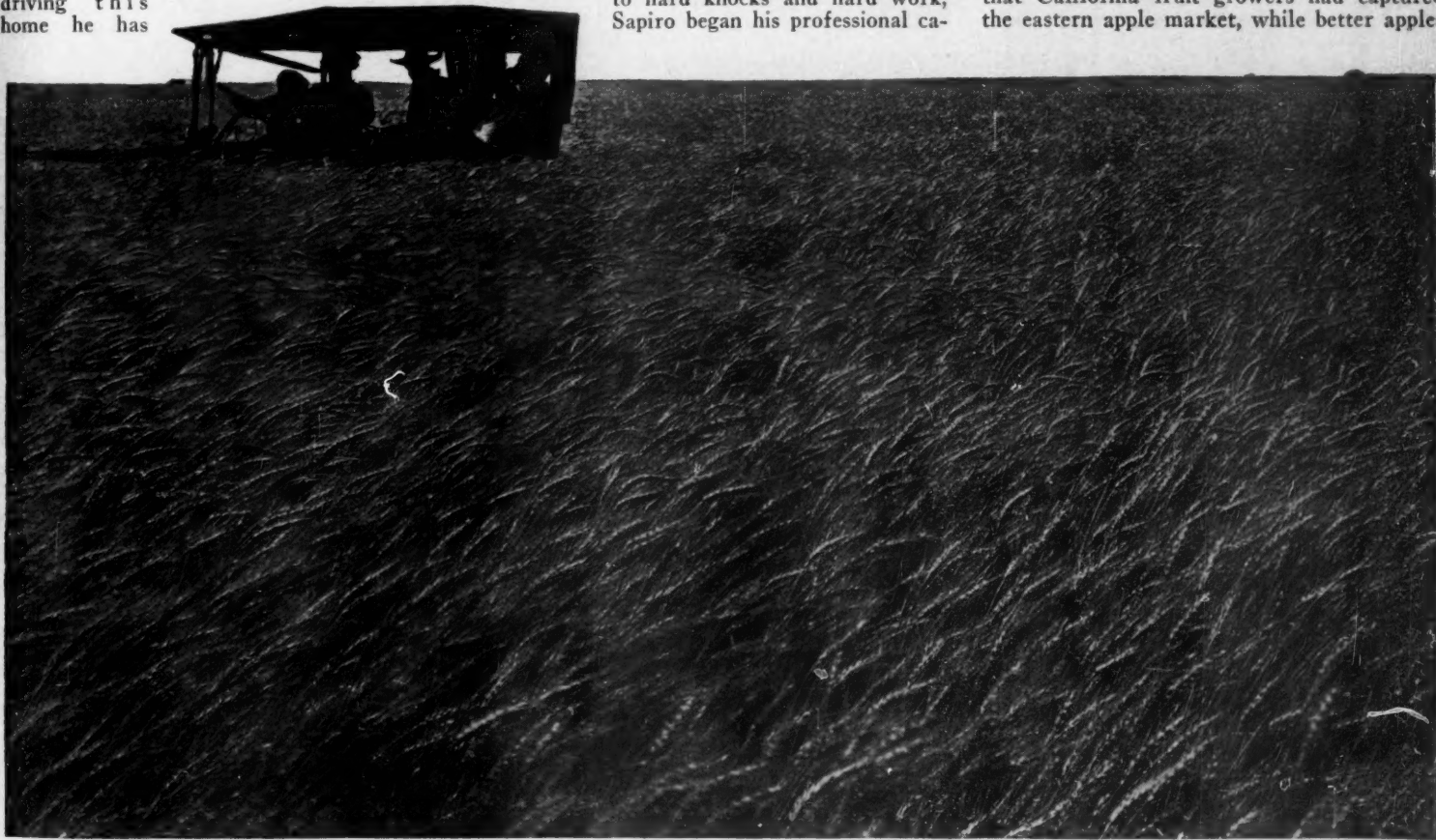
reer by doing some straight thinking. He would take no destructive legal business. He would take no divorce suits, no damage claims, no defensive criminal actions for fees. He would do only constructive work.

Corporation law was pretty well covered even then in California, and in casting about his restricted field young Sapiro hit upon the farmer. Here was a class which lacked proper advice and representation in the courts. So he began to study the cooperative movement.

In that day the American farmer thought cooperation meant cooperative buying, as in the English Rochdale associations. Sometimes it does. But that, beside cooperative selling, is, as Sapiro says, a bagatelle; it was, moreover, in America, a failure, and if the American farmer had but known it the Russian peasant and the Danish farmer had been doing the bigger thing for a long while with complete success.

What was required was group production and group marketing. The farmer remained the only individualist in American industry. Spades and salt-cellars and suspenders were produced by group action and marketed scientifically, but crops were raised at random and sold on the spot or at the nearest elevator or warehouse.

Perhaps Sapiro never put the situation more clearly, even to a farmer audience, than he did not long ago to an audience of financiers in New York. Otto Kahn gave a dinner at which the young lawyer (he is thirty-eight years old) was asked to explain how it was that California fruit growers had captured the eastern apple market, while better apples



We talk of seas of grain. Here's one with a tops'l auto a-sail in it. (If we carry our metaphor further it will be hopelessly mixed.) Wheat has so far proved the greatest problem that

the men who are teaching the farmer new methods of marketing have had to face. Cotton co-operatives have succeeded but the Grain Growers found theirs a tough nut.

raised upstate in New York rotted on the fields; and how it was that California eggs sold for three cents a dozen more on the eastern exchange than eggs raised nearby. It happened that Judge Elbert H. Gary was sitting just across the table, and so Sapiro addressed himself to steel. He said:

California growers made money because they applied to farm products the marketing methods of the Steel Corporation. The same thing can and will be done by farmers in every part of the country.

Farmers have been in the habit of dumping their product wherever it was grown, as soon as it was grown. Thus they created a gigantic over-supply in small market towns, and then waited for dealers or speculators to come and take it away from them at the prices likely to prevail in a glutted market.

The speculator offered a low price for them because, as he argued, he wasn't sure whether anybody wanted them; and he sold them at a high price because, as he argued, he wasn't sure of his supply. The farmer was stung. So was the consumer.

We observed that the Steel Corporation never broke its own prices by dumping steel rails wherever they happened to be made and then hoping somebody would come along and offer a price for them. The Steel Corporation finds out who wants steel rails and where they are wanted, and ships them to purchasers in the quantity desired. It put down rails at the point of consumption, not at the point of production.

The Steel Corporation attends not only to making rails but to merchandising them, and that makes the difference between bankruptcy and prosperity. We took that leaf out of your book and it made the difference to California fruit growers between poverty and prosperity. It will make the same difference to growers of tobacco, cotton, wheat, corn, cattle, alfalfa, poultry or anything else.

You distribute direct to consumers, evading the scalper altogether, and that is easy because rails are manufactured in central plants. It is harder for the farmer because crops are raised by individuals over wide areas. We have got around that problem by pooling products and handling them from a central organization, which holds title to them and sells them as you do rails.

That is the lesson Sapiro is teaching the farmer: When in business, do as business men do.

The "Sapiro type" of cooperation was described in *THE NATION'S BUSINESS* for last July by A. M. Loomis of the National Dairy Union. But it may not be amiss to supplement that description with certain details of marketing which Sapiro is teaching the farmer. About those eggs, for instance:

The first thing the Poultry Producers Association of California did was to ostracize Chanticleer from the society of his hens. Then the coop and the run were made still more exclusive by limiting them to White Leghorns. Thus there was the certainty of unfertilized, white eggs. Each egg was candled. So there was sent to New York a product which, although perishable, was uniform in quality and appearance, and which, although eighteen days old before it reached the consumer, sold nevertheless at a higher price than products less highly standardized.

Apples, in the same fashion, were graded, wrapped separately and packed in crates. The buyer knew he would find no "specked" fruit and no small apples in the center, such as are likely to be found in barrels. And, although the California grower admits that better apples are grown upstate in New York, he has overcome the difficulty by better marketing methods.

Sapiro says that, thanks to such methods,

California farmers are getting 48 cents of the consumer's dollar instead of 8 cents, as was formerly the case. Oranges are picked, packed and shipped the year 'round, where formerly the market was supposed to last but three months.

"The world type of marketing," says Sapiro, "will tend to equalize supply and de-

A WEEK or two after this magazine is in your hands, the biggest conference yet held of the leaders of the cooperative movement is to take place in Washington. It's big business, that movement, and big business men are showing their interest in it. When the wheat growers' cooperative movement found itself in need of reorganization it turned for advice to such men as Bernard Baruch, Alexander Legge, president of the International Harvester, and Frank O. Wetmore, the Chicago banker, to act on an advisory committee.

It's such developments that move us to keep the cooperatives before your mind. This month Mr. Bent tells us something of the leaders of the movement, next month O. M. Kile, author of "The Farm, Bureau Movement," will tell how Sapiro's methods differ from those of the late G. Harold Powell, another leader of the movement.

THE EDITOR

mand, and will do away with the overstocking of certain centers at certain times of the year. There will be a steady flow of commodities throughout the country all the year. A great deal has been said in blame of the speculator for breaking the market, but it has as often been the grower. A farmer wearies of holding his product and unloads it below the market price. When markets are properly studied graded products will find their way to the point needed, and spasmodic gluts and famines will cease."

That a counselor and champion of the farmer should offer even so mild a defense of the speculator in farm products is sufficiently surprising; but this clear-eyed, clear-headed young Moses of the Agriculturists, lawgiver and organizer, goes further. He has a good word to say for the banker, so long regarded as the unbending foe of the farmer:

"When the grower stores his product in a warehouse affiliated with a cooperative organization, he can borrow on it at once from a commercial banker," he says. "As soon as he puts himself on a business basis he becomes a good business risk. Our collateral is better than that offered by speculative dealers. It is the best agricultural credit in the world, and the banker knows it. We never have any trouble borrowing funds."

To which I may add an excerpt from an editorial note in the *Journal of the American Bankers Association*, printed with an article by Sapiro:

"The California plan as it now functions," said the editor, "shows that it is unnecessary for farmers to establish their own financial machinery, when through proper organization it has been proved that banking methods need not be upset or new financing found."

And the farmer, who has suffered from delusions of persecution as much as from illusions of easy money, sees, under Sapiro's tutelage, another bogey go by the board.

In ten years, Sapiro says, all the farmers of this nation will be on a business basis. One of the business tricks he is teaching them is advertising. He tells them it is one of the principal channels to new markets. Last year \$6,000,000 was spent thus in popularizing raisins. Just after the prohibition enactment raisins were in great demand by home brewers, but the smuggler and the bootlegger made such inroads into the market that a new outlet had to be found. So the 5-cent package was devised and advertised, and the problem was solved by the sale of 400,000,000 of the little parcels within a year.

And all the time the price of raisins was going up. (Here is where Mr. Consumer gets an inning in this tale.) They had sold as low as 2 cents a pound. They were advanced through cooperative effort to a fraction more than 11 cents in 1919. The Department of Justice threatened prosecution of the growers as a trust. But raisin-growing had become so profitable that more and more vines had been planted, until now it is estimated that the output in 1926 will be in the neighborhood of 300,000 tons. The handwriting on the wall was plain enough. The price last year was put at 8½ cents a pound, to pave the way for bigger crops to come. Economic law had done more than man-made law could have done. At best the Department of Justice could only have smashed the association, but economics went further—it took care of the consumer.

Sapiro's school is the largest in the world. He is teaching sound business methods to cotton growers, to tobacco, broom corn, wheat, potato and poultry men, dairymen and fruit growers. He is helping a Canadian official spread the gospel in Ontario. He has offices in San Francisco, in Chicago, and at 120 Broadway, New York, in the very shadow of the "Money Trust." He is not afraid of Big Business. He makes Big Business serve his purpose by teaching him lessons which he, in turn, relays to his farmer clients. And presently Big Business may be taking lessons from Sapiro.

At Law Over Check Charges

REMITTANCE charges on checks were the subject around which another court decision was written, on November 2. Banks, which are not in the reserve system, and which want to charge for remitting in payment of a depositor's check when the depositor has sent it out of town, alleged that the Atlanta Reserve Bank, as a means of coercing them to remit without charge or go out of business, was accumulating checks and presenting them over the counter for payment in a way that would embarrass any properly conducted bank.

When the case went to the Supreme Court on technical questions, and before there had been a hearing on the merits, the court said that if, upon the hearing, the allegations were sustained by the evidence the Atlanta Reserve Bank should be enjoined.

On the evidence, however, the federal district court held that these charges were not sustained by the evidence. From this decision, the banks took an appeal. The federal circuit court of appeals at New Orleans on November 2 upheld the decision of the lower court. It remains to be seen whether or not this case will now go to the Supreme Court once more.

He Made Science Pay Dividends

By JAMES B. MORROW

THERE are memorizing geniuses, who, listening to or reading a speech, can carry it in their minds, sentence by sentence, from introduction to peroration. George Wharton Pepper, one of Pennsylvania's senators, can do so.

Other men can remember the large and small details of a water-view or landscape. Still others, at a piano, can reproduce a cradle-song or an opera, having heard it once.

Samuel Wesley Stratton, recently elected president of the Massachusetts Institute of Technology, looking at a machine, instantly understands it, and on that day or any other day can draw a picture of it.

It was so with Samuel Wesley Stratton when Samuel Wesley Stratton was a boy, on an Illinois farm, bordering the region known as "Egypt," to derisive agriculturists living on the black lands farther north. One scrutiny of a reaper was enough. And of a sorghum-boiler or threshing-machine.

Talents are among the great mysteries of life. Gifts from God, no doubt. A little cabin, on a lonely road, and over it, while a child is being born, the spirit of poetry, art, eloquence or invention looks down—and descends, and the world in time loves an Abraham Lincoln or honors a Robert Burns.

No man of the Strattons had been particularly mechanical. And the Websters, to whose family Samuel W. Stratton's mother belonged, were farmers and rural carpenters—builders of prairie houses and rough barns. Hereditarily, there is no accounting for the extraordinary genius of Samuel W. Stratton, engineer, chemist, electrician and man of business. By profession, however, he is a physicist.

Physics, an authority states, has four branches: The science of force, otherwise the change in the velocity or direction of a body in motion; the science of molecules, which means the study of matter—a block of granite, for example, or a particle of dust, together with the forces in and surrounding its atoms; the science of ether, which may be defined as light, electricity and magnetism; and the science of gravitation. Rather a hard and large nut to crack, intellectually.

A Beginning on the Farm

WELL, as said, Dr. Stratton is a physicist, one of the ablest and most eminent in the world. His career began on his father's farm with the simple machinery of those simple days—hay-rakes, mowers, and so on. The father, also Samuel, was an adventurous man, considering his generation and circumstances, and brought Jersey cattle, probably the earliest farmer to do so, into southern Illinois, from the island where they were bred. Even so, toilers on the prairies, forty years ago, whether they owned a quarter or a full section of wild or broken land, were never very far ahead of the sheriff, with his ugly writ and heartrending flag.

I make no apology for putting into type the minutiae of Dr. Stratton's start in life (D.Eng., University of Illinois; D.Sc., University of Pittsburgh, Cambridge and Yale). He is one of America's greatest and most useful men. No one is greater, in his line; few are they who have served their country so unselfishly and well. Hid away among the red hills and oak forests, along the western boundary of the city of Washington, a hermit

almost, Dr. Stratton has brought distinction to the United States and prosperity to all of its inhabitants.

At college, the University of Illinois, this country boy from near the village of Litchfield paid his own bills by copying lectures for other students, making blue-prints and so forth. Any healthy young man, Dr. Stratton says, can obtain an education if he wants it. (The emphasis here is on the word any.)

Between the years 1884, when he was graduated, and 1900, when he visited Washington, Dr. Stratton was an instructor, assistant professor and professor of electrical engineering or physics at the University of Illinois or the University of Chicago. Machinery was still his instinctive study and specialty. A new era was waiting for tools and instruments of precision—the revolutionary era of the standardization of parts in American manufacturing establishments.

In his essay on the English physician and author, Sir Thomas Browne, Lytton Strachey says that "he was always ready to begin some strange inquiry," and that he could not help wondering "whether great-ear'd persons have short necks, long feet and loose bellies." Obviously, he had seen some who had. But was it the rule? he wondered. The Strattons of the world would have found out. By close and persistent observation. With tape-lines, and beams and scales, if necessary.

Starting True Weights

WHEN James Watt, the Scotch civil engineer and instrument-maker and the inventor, in 1765, of the condensing steam-engine attempted to learn what might be called the dimensions of an ounce, he found that many different ounces—fifty perhaps—were in common use. At the union of the German states into an empire there were sixteen measures of length—sixteen varying footrules in the shops of German manufacturers and the tool-chests of German mechanics.

Science, realizing the need for a worldwide set of standards, in its own work, in industry and in the selling and buying of goods, suggested that an international congress be held to consider the subject. Representatives of fifteen countries, including the United States, Great Britain, Russia, Italy, Austria, Turkey and Spain, met in Paris during the year 1870 to act on the suggestion of the scientists.

War between Germany and France, however, prevented conclusive action. Two years later, eminent men of science from thirty nations, at Paris, decided that new meters and kilograms should be constructed and be the standards of the countries concerned. The American foot and pound conform to the standards thus and then established.

Weights and measures have been giving humanity more or less trouble since the days of Moses, and before the days of Moses, otherwise he would not have said (Deuteronomy 25:13): "Thou," addressing himself to all men of all ages, "shalt not have in thy bag divers weights, a great and a small." And Solomon wrote: "A false weight is an abomination to the Lord; but a just weight is His delight."

Honest weights and measures having been ordered by the Lord, first through Moses and then through Solomon, it remained for kings,

parliaments and congresses to fix the standards. The original English inch, Blackstone states, "was the length of three grains of barley"; and "the standard of weights was originally taken from corns of wheat, whence the lowest denomination of weights we have is still called a grain." At least one English king permitted, in return for money paid into his hand, the use of false weights and short measures.

But to return to Dr. Stratton, who journeyed to Washington in 1900. He then was professor of physics at the University of Chicago, and hoped to persuade Lyman J. Gage, Secretary of the Treasury, to deliver an address at the dedication, soon to occur, of a college building. Frank A. Vanderlip, formerly a Chicago reporter, and a machinist by trade, was Assistant Secretary of the Treasury.

Planning the Bureau

GERMANY then surpassed all other nations in the manufacture of instruments of precision. Stratton talked this matter over with Gage, who had once worked around a planing-mill, and with Vanderlip, who was familiar with lathes, head-stocks, tail stocks, dead-centers and balance-wheels. "What this country ought to have," said Stratton (I am giving his thesis, if not his words), "is a scientific bureau in Washington, devoted exclusively to the subjects of weights and measures."

There was such a bureau at the time—and had been for many years. Practically, it was nothing more than the custodian of the meter and kilogram established and constructed in Paris and translated into the American foot and pound. It gave easy and dignified employment to three or four men. Gage was interested, Vanderlip sympathetic.

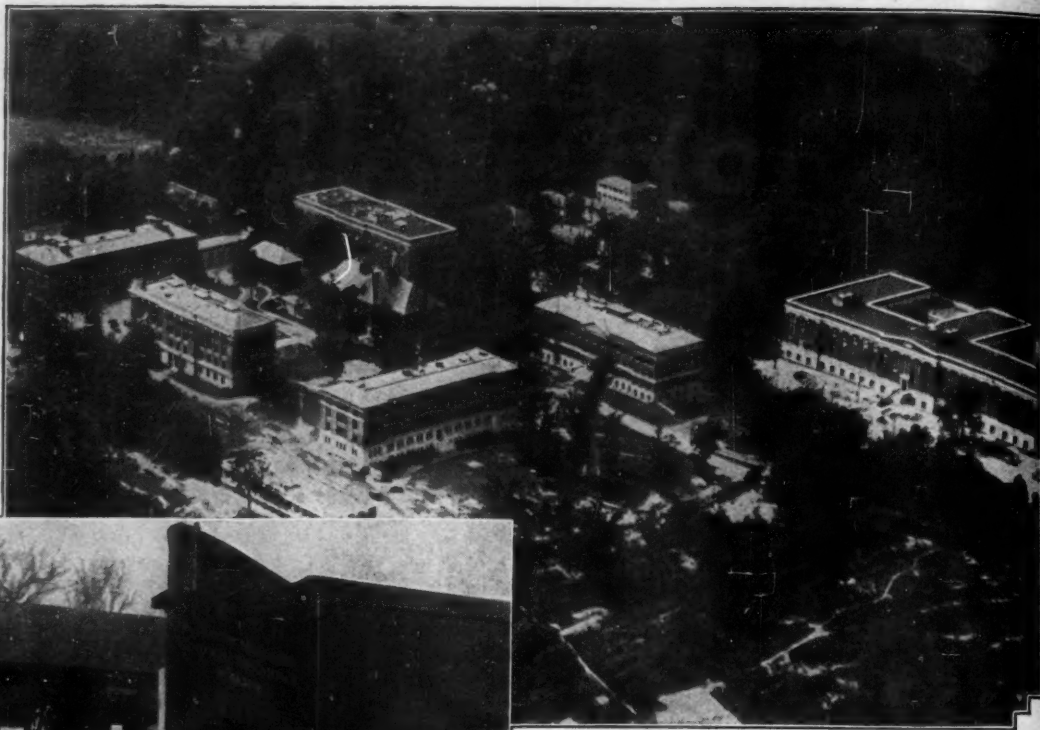
"Go ahead," they said to Stratton, "write a report on the situation and set forth what should be done."

The report was prepared. "Now write a bill," Gage advised, "and I'll help it through Congress." The bill was written by Dr. Stratton and given to James H. Southard, Representative from the Toledo district, in Ohio, a graduate of Cornell University and the chairman of the Committee on Weights and Measures, who enthusiastically managed its passage by the House and then followed it to the Senate. It was enacted into law on March 3, 1901. McKinley signed it, in the President's room at the Capitol, during the last hour of that Congress. Stratton saw him write his name at the bottom of the measure.

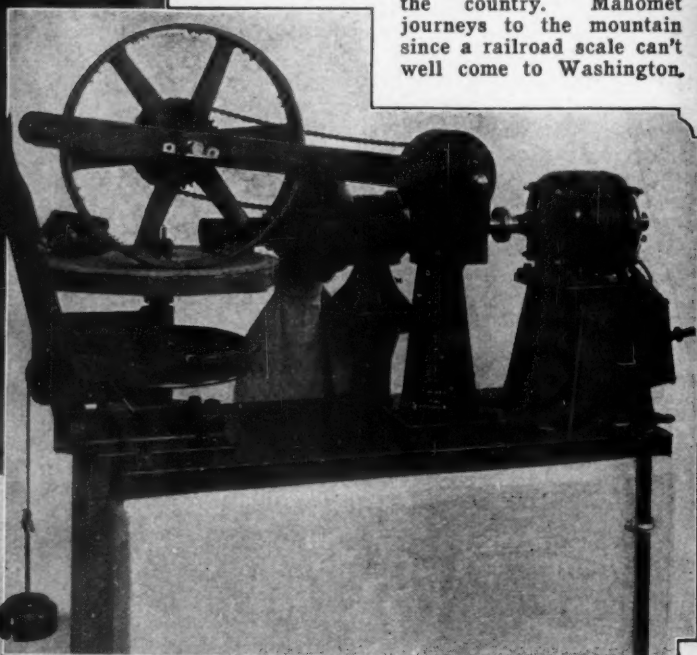
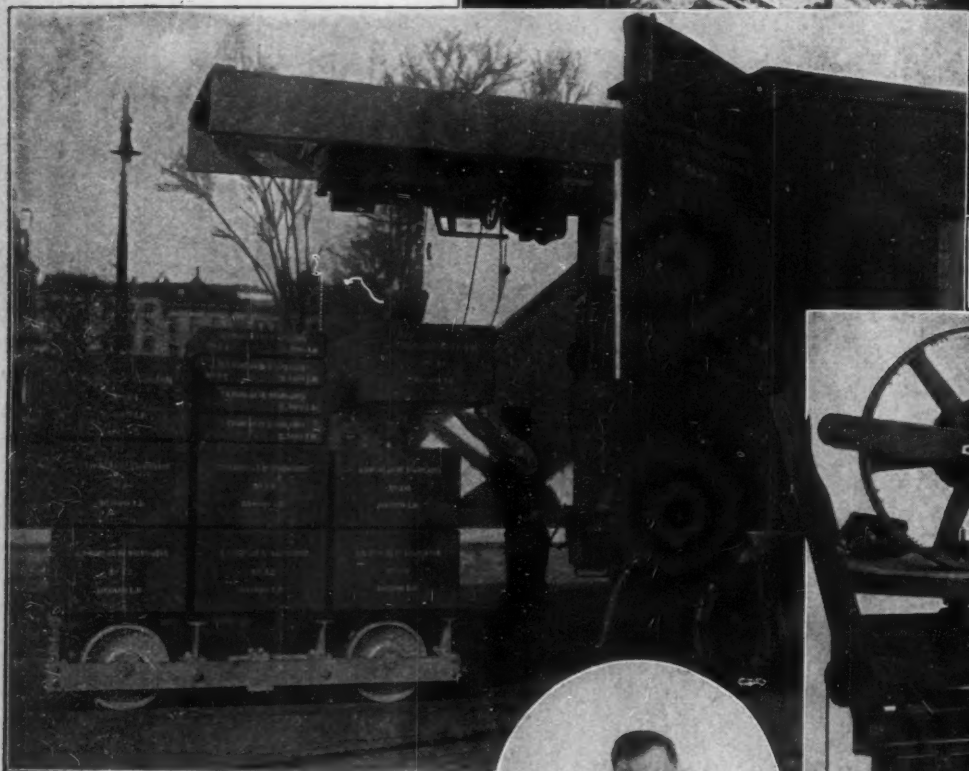
It was Stratton's law—being conceived by him, phrased by him and worked by him into the book of statutes. So was created the National Bureau of Standards; and Samuel W. Stratton became its first director—in that year, 1901. He continued to be its director until late in 1922; at \$6,000 per annum. He is to receive \$18,000 in Boston. A wonderful scientist, yes; but a sensible and vigorous man of business, in his own affairs and the affairs of others.

In the old days, philosophers and scientists were as dry as mummies and, seemingly, as unnecessary. They were bearded and slovenly, with spots on their clothes and nothing much else. Socrates walked about Athens in his bare feet, talking to young

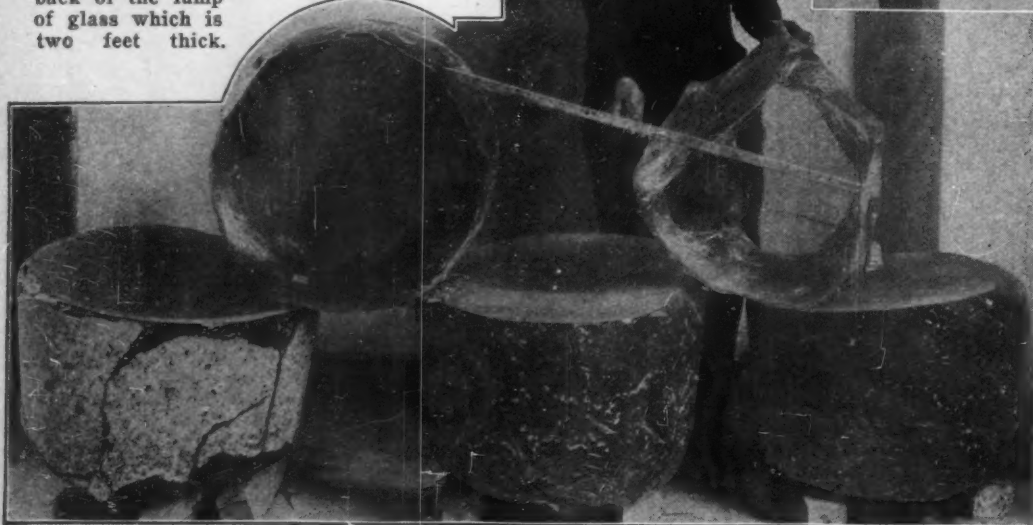
Many a university boasts no such layout as that shown in the bird's-eye view of the Bureau of Standards at the right. And all this in the two score years since Dr. Stratton took charge. A thousand men and women work here and most of their work is for the betterment of industry.



At the left, the Bureau's private car. It carries the weights that test the railroad scales of the country. Mahomet journeys to the mountain since a railroad scale can't well come to Washington.



Long before we were in the war, Dr. Stratton foresaw a time when we would need to be independent in making optical glass. Here to the right are some products of the Bureau of Standard's glass factories. The man with the yardstick is holding it back of the lump of glass which is two feet thick.



One thing that distinguishes the Bureau is its ingenuity. Would you know how long sole leather wears? "If there is no machine," says Dr. Stratton (or one of his troupe of trained scientists), "we'll make one." And he does. He fastens the leather to the rim of a wheel and sets it going under fixed and permanent conditions of speed and pressure. Net result, the mileage of a shoe sole under all sorts of conditions.

men and boys. Roger Bacon "knew that the circle had been squared." Men of business smiled at them indulgently, comprehending only a word of their jargon, here and there—nor could they have followed it, had they understood. There are such philosophers and scientists abroad at present—threadbare gentlemen and sleepy-eyed, in shabby hats and broken boots. In the main, however, science and business now cooperate; brains, technical and abstruse, in partnership with money, keep the chimneys smoking and the fires hot.

The Stratton shoulders are without a stoop. The Stratton eyes, dark blue, are alive with energy. The Stratton discourse can be understood by the laity. Compact and strong, structurally, having light brown hair, slightly gray at the temples, and a mustache, chopped off, in the latest fashion, Samuel Wesley Stratton (B.S., D.Eng., D.Sc., remember), well-dressed, from shoes to cravat, is a modern personage, visibly in harmony with the environment, at headquarters, of railroads, banks, rolling-mills and cotton factories. (It may be stated here as well as anywhere, that Dr. Stratton was born in July, 1861, and that he is unmarried.)

Knowledge of a man will aid in understanding his work. The old bureau of weights and measures has been described—a room or two, filled with scales, documents and charts, and, say, three experts, having green shades over their eyes and rubber sleeve-holders on their arms; grave experts, juiceless custodians of the Paris meter and kilogram.

And now? Thirty-five acres of hills and forests and some fourteen brick and stone buildings set thereon and therein; artistic buildings, clean and rugged, populated during working hours by a thousand scientists, first-class mechanics, stenographers and clerks. The whole, the inspiration of Dr. Stratton, himself; the whole, his picture as he saw it, in the beginning and as the years passed.

The title of the bill, as he wrote it in 1901, tells what was in his mind. Then, and later. An organization was to be created whose functions would be "the development, construction, custody and maintenance of reference and working standards and their intercomparison, improvement and application in science, engineering, industry and commerce."

New standards, under Stratton, have been added to length, mass and time—to the foot-rule, the pound-weight and the clock. The clock, kept at the bureau, in a glass case, runs with such precision that its "error," so-called, is but one second in a hundred days. The new standards pertain to "constants," such, for instance, as the mechanical equivalent of heat; to quality; to performance, in determining, for example, the rating of engines and motors; and to practice, under which is included the formulation of industrial and safety codes.

As to standards of quality, a most important and interesting matter: The national government is the heaviest purchaser in the country of some articles and materials. Bids are solicited. The Bureau of Standards assists in the work of drafting the specifications. It tests the articles and materials, as received, to ascertain if they conform to the specifications, if they are as good as promised. Such tests are made of metals, cement, paper, ink, machinery, oil, rubber, electric batteries, tires, paint, lubricants, textiles, roofing, typewriter ribbons, drain tiles, lime, soap, stone, gravel, sand, bricks, leather, terra cotta, optical glass, mattresses and many other things. Standards of quality are thus established and any person or business

that wants them can have them on application.

In the bureau there is a complete miniature paper-machine, on which any grade of paper can be produced in quantities large enough to determine the commercial practicability of a process. There is also a small experimental plant for the manufacture of rubber and another for the manufacture of optical glass, in which two tons of high-grade glass is being produced per month. Also, there is a foundry, and a rolling-mill and a textile factory. "It is probably safe to state (Dr. Stratton is being quoted), that in no institution in the world can such a variety of equipment be found as in the Bureau of Standards. It is really an industrial plant in which nearly every American industry is represented."

The bureau aids capital and labor, and therefore the whole nation, "by serving," Dr. Stratton points out, "as a clearing-house where manufacturers and others may go for the latest developments in the fields of science, which have important industrial applications. As a consequence, the discoveries of today are made available tomorrow, instead of after the lapse of years as formerly. I hope that the Bureau of Standards will become as useful to the people of the United States as has the Department of Agriculture."

Scarcely any daily need remains unconsidered by the bureau. It is concerned in the thickness of the walls of buildings, in surveyor's tapes, clinical thermometers, water, gas and electric meters, the wiring of houses, all kinds of safety devices and even in spark-plugs. Dr. Stratton, moreover, has been largely responsible in starting a nation-wide campaign for honest weights and measures. For many years he has urged that every advertisement be truthfully written. "The time will surely come," he predicts, "when all goods bought and sold must be exactly as represented." He has carried on regular

tests of outdoor railroad and mine scales, many of which have been found to be inaccurate.

Meanwhile, if any manufacturer met with difficulty in his processes he wrote to Dr. Stratton. A maker of buckles couldn't get his enamel to stick. Stratton showed how the trick could be done. Likewise, he revealed to American potters some of the closely guarded secrets of China.

The work of the bureau during the World War, written out and printed, makes a book of 299 pages. Experiments and tests were made with everything, from concrete ships to goggles, from long-range guns to pistols, from armor-plate to tinware.

On the day that this article is being written, seventeen scientific experts, in the employment of manufacturing associations, are working, free of charge, in the laboratories of the bureau, with members of the bureau's staff, on problems of production.

Now, then, there is something more that ought to be said about Dr. Stratton: He was an officer for six years in the Illinois Naval Militia; he was a lieutenant in the United States Navy during the Spanish-American war; and he commanded the District of Columbia Naval Militia from 1904 to 1912.

Working and thinking, and even playing, in the high and dry altitudes of ultimate mathematics, to him ordinary geometry and trigonometry are mere grasses and wild flowers under his feet. But one would never know it, were one to talk with him for an hour or a day. Compared with him, the haranguing politician whose name is seen daily in the newspapers is trivial and ridiculous.

Editor's Note: If further proof were needed of the work which the Bureau of Standards is doing and which Mr. Morrow has here discussed, it can be found on page 24 of this issue. There an assistant director of the Bureau tells in simple language of the results of the months of study of the problem of deflation in tires.

Listen—It Was Tea Made Us Dry

AT LAST the real, underlying, compelling force that brought about prohibition in the United States has been discovered, uncovered, and branded, and exposed to all the world for its moral effect. We have been wondering for some time just what it was that irresistibly forced alcoholic beverages off the open market in this great country. The bare fact of the matter is that it is the sinister work of the powerful tea growers that has deprived us of our beers and light wines and the other more mature members of the family of alcoholic beverages. We have this straight and in authoritative form, right from the French *Journal of Commerce*. It seems that the world owes the credit for this discovery to the President of the Tenth Economic Region of France, and the credit for giving publicity to it to the Chamber of Commerce of the French city of Certe.

Hark to the *Journal du Commerce*:

It seems that the dry regime is imposed less as a health measure than to satisfy the appetites of the great producers of tea, who would like to see their product completely supplant wine as the universal drink. That is the danger that must be avoided at any cost.

It is not only in the United States and in Norway and Finland that this sinister tea influence has started the dirty work. It's the very backbone of the nationalistic movement in Turkey. The dry regime has already been put in force in Anatolia, and will

certainly be imposed everywhere where the Turks become masters—unless the French Government takes firm and vigorous steps to prevent this catastrophe. The Tenth Economic Region of France, accordingly, proposed that the French Ministry of Commerce shall see to it that a mandate be given especially to the representatives of France at the coming Near East Conference to make certain that the dry regime fails of success in Turkey:

It would be absolutely abusive to impose the dry regime on foreigners, and especially on Frenchmen installed in Turkey; they, like ourselves, know how to use this absolutely healthful and comforting drink with moderation.

The President of the Tenth Economic Region of France also wants the Chamber of Commerce of Certe to raise an energetic protest against the recent measures taken by the United States Government with relation to alcoholic liquors on vessels putting into American waters. The Chamber of Commerce of Certe is of the belief that this new decree sharply injures the interests of its locality and, moreover, works a serious wrong against the liberty and morality of the passengers who are not necessarily citizens of the United States.

Take this tip—watch out for the tea influence; you will find it where you least suspect it!

The Cost of Deflation—in Tires

By F. C. BROWN

Assistant Director, Bureau of Standards

WE HAVE heard much in regard to the waste of the nation's gasoline. In 1921 4,500,000,000 gallons were consumed. We may not be concerned seriously as to the right of any man, woman or child to consume gasoline, but we are concerned to know wherein the efficiency of motor vehicles may be improved both in the interest of national economy and the conservation of the nation's fuel supply.

Very few car owners are aware of the possible waste of gasoline arising from unnecessary power losses in automobile tires. This fact, however, has recently been brought out by the work of the National Bureau of Standards of the Department of Commerce. The publication is No. 213 of the technologic series. The power lost in the tires is just about equal to the power lost in overcoming air resistance when the car is running at fifteen miles per hour. It would be as useless to talk of stopping all of this as it would be to talk of stopping the loss of the heat in the engine itself.

It will surprise most readers to hear that approximately 200,000,000 gallons of gasoline last year was dissipated as heat in automobile tires, and it will be a further surprise to know how much of this loss is entirely unnecessary. Nevertheless, millions of gallons can be saved to advantage. It is much easier to gain public attention on waste that occurs in a new art than it is in practices that are generations old. For example, we get very little response if we show that one-half of the coal burned in our household furnaces is ineffective in keeping our homes warm.

The heating of an automobile tire arises from imperfect elasticity. The tire flattens out where it touches the road, and this continual flattening out followed by restoration to normal shape generates heat in the same manner that continued bending and straightening of a wire generates heat. Heat is molecular motion, and if the bending of a wire does not displace molecules appreciably there is not much heat generated. For example, the spring actuating a pendulum in a clock is so elastic and moves such a slight distance that most of the energy put into the spring when it is bent is given back in assisting to push the pendulum to the opposite end of the swing. If an automobile tire could be made of steel and designed so as to suffer only slight deformation, we might almost do away completely with this power loss. There is, for example, very little loss of energy of this kind in the tires of railway wheels.

But we must not forget that the main purpose of pneumatic tires is to produce safe and comfortable riding with the least wear and tear of the automobile and the road.

The American car user will not care to make any saving for the nation and himself that requires either expense or continued attention. Fortunately the national saving of

which we are speaking can be made almost without expense or attention once the car user has become informed of the facts.

The power loss is greatest in relatively flat tires. When the air pressure, as measured by the tire gauge, is 30 pounds per square inch on 33 x 4 cord tires supporting a car weighing a little less than a ton, the loss in the tires is 2.4 horsepower when coasting freely at 15 miles per hour, but if the air pressure is 90 pounds, the loss is cut approximately in half. This loss increases almost proportional to the speed.

The reader can conclude for himself that in going a given distance the speed makes no difference in the energy lost and that the tires should be kept inflated at as high pressure as consistent with the condition of the car and the road-bed. Aside from the power loss it has been generally known that tires give more miles service when properly inflated.

The tire loss is increased in direct proportion to the total load of the car and its occupants. Here again, the reader may draw his own conclusion as to the economy of

describe in detail the requisites of construction necessary to obtain minimum power loss. Nevertheless, we can illustrate one line of development of which every car user should be aware. In fabric tires of the size previously mentioned and inflation pressure of 50 pounds, with a 25 miles per hour speed, the power loss was found to range between .87 and 1.17 horsepower for four different makes of tires. The mean loss was 1.02 horsepower. In a similar number of cord tires of as many makes the loss ranged between .65 and .8 horsepower with a mean loss of .73 horsepower. In a single tire, therefore, there is about a quarter horsepower loss in fabric tires in excess of that lost in cord tires.

A typical medium weight car equipped with cord tires when running at 20 miles per hour on a smooth road has been found to consume 6.2 horsepower, two-thirds of which was equally divided between overcoming wheel resistance and air resistance. The remainder of this was consumed in running the engine parts. If the same car had been equipped with fabric tires it doubtless would have required 7.2 horsepower. In other words, the power effective in propelling the car would have been decreased by about fifteen per cent by the use of fabric tires. Likewise the pulling power of the engine may be decreased another fifteen per cent in either cord or fabric tires if the air pressure is allowed to fall quite low.

If the reader is inclined to question these results he may make a partial demonstration for himself. Try pushing your car on a smooth and level surface with tires under high pressure and then let out enough air so that the pressure is about half normal. If you have not already tried this you will be surprised. And if you are further desirous of demonstration, try pushing your car with cord tires and again with fabric tires.

The point to our story is not how much power we may add to the effectiveness of the automobile engine, but rather how much gasoline we can conserve for other uses and future generations. In the typical car mentioned above .8 of a gallon of gasoline was consumed in going twenty miles in the hour. Had it been possible to convert all of the energy into power and none into heat, the engine would have generated 47 horsepower instead of 6.2 horsepower.

As is well known, the major portion of the energy goes into heat and must be dissipated by radiators, cooling jackets, and fans. But taking all this into account, two per cent more gasoline is required to propel a car when fabric tires are used than when cord tires are used, and as much as two per cent more may easily be wasted by running a car with partially flattened tires. If the nation at large uses well inflated cord tires it will have saved between 90 millions and 180 millions of gallons of gasoline annually.



using the smallest number of cars that will suffice to give the desired transportation.

Wonderful advances have been made in the perfecting of tires, but it is difficult to

Who Are the Tax Dodgers?

By DAVID H. BLAIR

Commissioner of Internal Revenue

THE AVERAGE American taxpayer is honest in his dealings with the Government.

Government records show that only a negligible percentage of men and women whose incomes are taxable seek to deceive the Government as to their tax liability. Taxpayers as a rule do not need to be watched.

While it is true the great mass of people who pay income taxes need little policing, the Government, in fairness to the honest taxpayer, is always alert to detect tax evaders, and spares no effort to bring to justice those who deliberately ignore their tax obligations.

The American conscience is something more than a phrase when it is remembered that there are today about 7,000,000 American men and women who make annual returns of their tax obligations, and that relatively so few of that number resort to unscrupulous devices to mislead or defraud the Government.

The overwhelming majority of American business men and women, in my judgment, observe the rule that honesty is the best policy, in all matters; and this is reflected in a very remarkable degree in the dealings which the Internal Revenue Bureau has with business of all kinds.

My duties as Commissioner of Internal Revenue have served to strengthen my faith in human nature, and I can candidly say that in the thousands of cases handled by this bureau there is ample proof that taxpayers are guided by the great principle of right and justice.

If the average citizen could have a look into the bureau affairs as I have, he would at once become convinced that the average man is guided by a sense of fairness in his transactions with the Government.

In fact, there are thousands of taxpayers who err in favor of the Government. The money paid back to taxpayers in refund of taxes wrongfully collected each year shows that the majority would rather be right than wrong. They give Uncle Sam the benefit of a possible doubt.

Thousands of cases are before the bureau in which taxpayers are entitled to deductions, but in which full taxes were paid, and the matter of deductions to be allowed was left later for the decision of the bureau.

Action of the Government in putting people on their honor in tax matters has meant millions of additional revenue which the Government might have lost.

As to the honesty of so-called "big business," including corporations of gigantic size, it is recalled that recently a prominent man, identified with one of the country's leading business enterprises, walked into the Treasury and tendered his check for close to \$1,000,000—a voluntary payment of an additional sum of tax, found by the taxpayer himself to be due the Government.

This case is by no means exceptional. There have been scores of others in which taxpayers have paid large amounts, once they have become certain that their original return contained what the Government regarded as an honest mistake.

The audit of returns has developed many readjustments, but the proportion is smaller each year as the requirements of the law are more generally understood. The audit of the

WHO DOES evade his taxes?

Take Commissioner Blair's word for it and the Great American Tax Dodger is not so common an animal as many suppose. Not that his huntsmen come back empty-handed. They land a good many plain out and out crooks. But they find a far larger part of men whom they round up are innocent blunders. And this, too, is true, that the Government in many cases finds that the taxpayer himself has overpaid and must be, and is, reimbursed.

THE EDITOR

1920 returns involved 270,000 readjustments, either by the assessment of additional tax or by the refund to the taxpayer of a portion of his tax previously paid in error. There were 150,000 additional assessments on these returns, but practically all were occasioned by genuine error in preparation of the original return, and in but comparatively few cases were instances of intentional fraud disclosed.

Income tax laws have brought a degree of stability to the ranks of small business. The small business man, has been taught the value of bookkeeping. He has learned that loose accounting methods are ruinous. The income laws have compelled him to keep records showing profits and losses. It is obvious therefore that the small business man can be a great deal more honest with himself, as well as with the Government, when his ledgers show exactly how he stands in a financial sense. The introduction of better accounting methods in this element of business has produced a very wholesome effect upon the business of the country as a whole.

The fact that not far from half of these readjustments involve a refund to the taxpayer speaks well for the honesty of the taxpayer as a class, for in each of these instances the taxpayer apparently gave the Government the benefit of the doubt, with the result that he paid more tax on his income than he properly should.

The files of the Income Tax Unit contain many interesting papers showing the desire of the taxpayers as a class to be correct in their dealings with the Government, and in innumerable instances, in carrying out this policy, the taxpayer has erred against himself.

In the cases where taxes have been underpaid there is plainly a wide gulf between an honest mistake and a wilful attempt to defraud. In the vast majority of cases, when errors are found by the bureau's accountants they have resulted through wrong interpretation of the law's requirements.

With those who are found merely to have made an honest mistake, the Government pursues a course of leniency. In truth, the attitude of the Government is one of helpfulness. There is no effort to hound the taxpayer or permit him to feel that he has committed a reprehensible act.

When the taxpayer has been mistaken for some reason, and still owes the Government an amount of taxes, the Government seeks

to straighten out the tangle in an amicable way.

Our field forces include 2,000 revenue agents, who follow the rule of the Internal Revenue Bureau that it is not their mission to make trouble but to prevent it. In a sense, the average officer of the bureau must be an educator on income tax matters and other questions relating to the raising of the country's revenues. It is part of his training to act intelligently and politely in his dealings with taxpayers. No brow-beating is countenanced. Gross discourtesy by a revenue agent is not tolerated.

Publicity is one of our best weapons in forcing the full payment of lawful tax. There are cases in which very large sums have been paid by taxpayers rather than face trial in open court. In the settlement of such cases, which are rather few in number when the total number of those who make returns is considered, the Government's officers believe it is the part of sound business to avoid a tangle of litigation which might end, in numerous instances, with the Government the loser, by a jury disagreement.

A notable case is that of the fur dealer frauds in New York City. A combination of fur dealers were in conspiracy with certain government agents to deceive the Government by false certifications that their taxes had been paid. The accused got away with the game for a long time, but when the scheme was given publicity and offenders were haled before the courts, a salutary lesson was taught many thousands others—that it does not pay to deceive the Government.

The worst samples of dishonesty with the Government are discovered among that class who make no returns at all, or claim their earnings are below \$5,000.

We are rounding up thousands of evaders in that group. The drive to find those who owe the Government, but who have gone along on the assumption that they would not be discovered, will net the Treasury many millions of dollars in hidden revenue this year.

For example, the man who enjoys the luxury of a \$6,000 automobile and is known in his own community to be a man of affairs, and who has neglected to make a return showing his earnings, is the type we are going after, and we expect such types of people to disgorge their just dues to the Government.

In a recent case, an individual reported that his income was less than \$5,000. That man, upon investigation was shown to owe the Government an income tax of about \$10,000, and he was forced to pay that sum, besides penalties the law prescribes for such wrongdoing.

Each passing year gradually reduces the number of tax evaders. The tax dodger is becoming scarce, because that kind of a person realizes evasion is poor policy. A systematic method is followed in checking up the returns of taxpayers.

Since the war nearly \$1,000,000,000 in additional taxes have been collected because of the thoroughness of the work done by the accounting forces. This huge sum represents largely payments made by taxpayers after their original return for a given year had been filed and checked over by auditors.

The large part of it represents errors in returns due entirely to bad judgment or

ignorance of the revenue laws. Of course, in the more serious cases of errors for which there was not a good excuse penalties have been assessed. Even for the failure to make out a complete and accurate return, and where no intent to defraud is present, there are penalties in varying sums which can be assessed, according to the nature of the facts disclosed.

The Government has little trouble with most large business corporations. This is because such concerns have the accounting and legal talent, but when a big concern does make "big mistakes" they are usually deliberately made and dealt with accordingly.

Most corporations and partnerships are of great help to the Government in collecting income taxes from the individual taxpayers. Information at the "source" is supplied to the Government in varied ways, and this enables the revenue force to determine very closely the liability of citizens.

The job of collecting more than \$3,000,000,000 in income and profits taxes and miscellaneous internal revenues last year was handled by nearly 20,000 men and women, located at Washington and the principal cities throughout the country, where Collectors of Internal Revenue have headquarters.

By the system followed now it is virtually impossible for a taxpayer to escape liability, through connivance with any person or persons within the Revenue establishment. The process of checking over returns is as airtight as is humanly possible. Whenever in-

vestigation is necessary, intelligence agents and field revenue men are assigned.

Anonymous complaints frequently mark the starting point of a large number of tax investigations. Sometimes these complaints prove groundless. Sometimes the probes show up discrepancies in returns already made or reveal possible wilful attempts to withhold taxes legally due.

The accounting forces constitute an important part of the bureau's work. Most of this work is done at Washington, although it is the plan of the Government gradually to decentralize this phase of its activity and have collectors of revenue make checks of returns in certain classes of cases, thus expediting the cases, and relieving the pressure on the offices at Washington.

But the Government is just as eager to refund overpayments as it is to collect underpayments. The taxpayer is protected against himself by the same system of checks and review which guard the Government.

If the audit shows an overpayment by the taxpayer, the Government automatically issues a certificate of over-assessment to the taxpayer, without application from him, which certificate of over-assessment he can apply against existing tax liability, if any exists, or, if there is no such liability, can receive a treasury warrant for the amount.

Generally speaking, the taxpayers have prepared their returns in a satisfactory manner considering the many difficulties and pitfalls encountered. The returns during the

war period, at least, were made up from the best information then available, based in many cases on poor and inadequate bookkeeping, and many adjustments were inevitable.

The Government proceeds in all cases on the theory that the taxpayer is honest in making his tax return, and it is only when investigation or correspondence reveals some fact that shows that the taxpayer is probably concealing something, or in making an erroneous return wilfully, that cognizance is taken that an element of fraud may exist. Even then he gets the benefit of every doubt.

There are innumerable cases where a taxpayer has voluntarily tendered additional tax, having ascertained later that his original tax had been erroneously computed in a less amount than was actually due, and has filed voluntarily an amended return.

Tax Problems in Illinois

A NEW constitution for a state is not easily framed. That is what New York found several years ago, when the work of its constitutional convention was not accepted, and it has been demonstrated over again in Illinois, where a constitutional convention after labors protracted over a period that may set a record has presented its draft for acceptance or rejection in an election to be held in the early future.

Provisions with respect to taxation are sure to catch attention, particularly the point of view of the convention with respect to the income tax. The convention recommends that the state legislature should have power to levy an income tax but would prevent the legislature from making the highest rates more than three times the lowest. In other words, the great range in rates found in the federal law did not appeal to the convention. Exemptions, too, would seem not to please the convention; for there is a recommendation that the legislature should be prevented from giving to the head of a family any exemption larger than \$1,000 plus \$200 for each dependent under sixteen.

Taxation of intangibles presented the usual difficulties. The final conclusion of the Illinois convention was that the legislature might be permitted to levy a special tax upon the income from intangibles.



Here's a corner of one of the rooms where sit the men who go over your income tax return and it shows only a corporal's guard of that great regiment. After you look at this

and read Commissioner Blair's article you'll be convinced that there's not much chance of getting away with an error. If the error is in your favor, you'll hear of it just as quick.

Some Questions of Fair Trading

FALSE ADVERTISING is a method of unfair competition and a matter of which the Federal Trade Commission may take appropriate cognizance under its law, according to a decision handed down on November 6 by the federal court of appeals.

Block salt for the use of livestock was the commodity. A concern selling such salt advertised that its article contained seventeen different ingredients, whereas ten of the list were missing, and that its product had the approval of the United States Government, contrary to the fact.

This may have constituted beguilement of farmers and their faithful stock, but they do not directly come within the Trade Commission's protection. The unfairness in competition with which the commission deals was directed toward other sellers of block salt who offer their wares for exactly what they are. The commission accordingly ordered that the false advertising should be stopped. With this point of view the court has now entirely agreed.

Guarantees against decline in prices may or may not be unfair methods of competition, in the opinion of the Federal Trade Commission. At any rate, the commission has never announced its conclusion upon the investigation it made in 1919, when it asked opinions of associations and individuals, and published a summary of the responses.

In October, however, the commission came forward with the proposition that, whatever the propriety of such a guarantee in itself, it is an unfair method of competition for an association of wholesale grocers to undertake to coerce all manufacturers from whom the members buy to give guarantees against declines in prices.

The commission's action took the form of

issuance of a formal complaint. The case is yet to be heard and argued. When the commission gets along to its decision the whole matter of the manufacturer's rights may have a different aspect.

Trade discounts and the attitude of the Federal Trade Commission toward them have advanced another step toward their final test before the United States Supreme Court. On October 19 three federal judges sitting in the United States Circuit Court of Appeals at New York listened to arguments in the Mennen case.

The question, it will be recalled, is whether a manufacturer who sells a carload of his product to a retailer must give the retailer the same terms as he gives upon a sale of a carload to a wholesaler or be guilty of participating in an unfair method of competition. The Trade Commission has answered like questions in the affirmative. The first manufacturer to whom the commission applied its theory has an emphatic belief that the question should never be raised and if it is brought up it should be answered with a most unambiguous negative. The manufacturer is so sure he is right that he apparently means to contest the matter to the court of last resort.

Although there is no allegation in the case that the manufacturer acted with other manufacturers, associations of wholesalers obtained permission to be heard in explanation of their interest in the court's decision. From their point of view, the question is largely a matter of unfair competition against them from pseudo-wholesalers set up, not for the purpose of performing the functions of wholesalers, but in order that one retailer may get an illegitimate advantage over another.

Maintenance of resale prices is still before the courts. In 1920 the Supreme Court had before it some phases of a case in which the Department of Justice alleged a manufacturer of valves for pneumatic tires, etc., violates the Sherman Act by a plan for control of resale prices.

The Department of Justice has now placed the case in a new form and filed it with the federal court in New York. The Government's allegation is that, in 1913 when the Supreme Court began to hand down its series of cases upsetting ideas earlier accepted about the legality of maintaining resale prices, the manufacturer hit upon the device of reserving an interest in his product after it had passed into the wholesaler's hands, and attempting to control the resale price, etc., through this interest which he kept. As the articles are patented, the reservation of an interest was made through a license agreement under which, when goods were delivered to a wholesaler, the manufacturer received a payment which the government says was the price and when the wholesaler resold the goods the manufacturer received 4 or 6 per cent of the price in a payment which the license agreement denominated a royalty.

All of this the government says was a piece of make-believe, to avoid the effect of the court decisions regarding maintenance of resale prices. That it was exactly what it purported to be the manufacturer insists with equal vehemence. This fundamental difference in point of view will in course of time be adjudicated, with the possibility that the courts will cast a little more light upon the subject of a manufacturer's right to have an interest in the price and the conditions governing the retailing of his product.

Old Ocean's Ungathered Wealth

By HENRY O'MALLEY

United States Commissioner of Fisheries

AN INGENIOUS promoter once organized a stock company for the purpose of extracting gold from the ocean. He never gathered enough gold to make a tie-pin, but he did sell a large amount of stock to a gullible public. For he was able to prove on the highest scientific authority that all the seas of the world are one vast bed of low grade gold ore, that they contain the making of a mountain of pure gold weighing many thousand million tons, and that this gold can be extracted from the water by chemical process.

What he failed to demonstrate was a method of producing this gold at a profit. Sea water is a gold ore which assays about two cents worth of gold to the ton, and no feasible way of working it has ever yet been devised. The thought of this huge mass of pure gold in the sea will doubtless always stir the imaginations of men. The first promoter of an ocean gold mine will probably have many successors. Much money and energy will be wasted in trying to take pure gold out of the sea, while things far more valuable than gold, in a fundamental sense, wait for the brains and the capital that are necessary to make them useful.

It is not meant that these marine resources

are being wholly neglected. On the contrary the last few years have seen a great development in practical methods of utilizing marine products. Science has shown the way and industry has not missed its opportunities. The general public still thinks of the ocean merely as a source of fish to be used for human food. Industry, in the light of science, is beginning to see it as a natural resource which can be manufactured into a great variety of useful commodities.

A man living by the sea, and having all the resources of science and industry at his command, could extract from the water a surprising number of the things which he would need to support civilized life. He could take from it all of his animal food, including meat as well as fish, for whales are mammals and their flesh, which has been marketed in this country both canned and fresh, is a good red beef. He could also obtain enough vegetable food to balance his diet for there are edible algae in the sea which yield a fine gelatine, containing about the same food elements as spinach and bananas. Cereals, of course, the sea does not produce, but it does yield abundantly the two great essentials for plant growth—potash and nitrogen—so that almost any piece of land

could be made and kept highly productive by the use of sea products.

The sea also yields in the form of fish meal a highly concentrated live stock food which is being fed to hogs, cattle, horses and sheep, and is rapidly diverting fish scrap from its time-honored use as fertilizer material. Leather of a fine grade for shoes and clothing is now manufactured from the hides of sharks, and fur is obtained from seals and sea otters. Some of the finest dyes in the world have come out of the ocean, and some of them are now completely neglected.

This man by the sea would get from his marine estate many other valuable things, including salt, oils for all purposes, shell for fertilizer and road-building material, sponges, iodine and various other drugs, and a fine grade of carbon very valuable in the industrial arts. Furthermore, by harnessing the waves and the tide, or by utilizing the differences in temperature between the surface waters and those at a great depth, he could produce from the ocean all the power he needed for manufacturing processes.

Discovering a valuable resource and a method of extracting it from its natural medium is one problem. Making it actually available for the use of men in the form of

negotiable commodities is quite another problem. The first problem is for science to solve. The second calls for the abilities of the engineer, the business capitalist and the advertiser. The work of the scientist necessarily comes first. Science is always in advance of industry, as it should be. This is strikingly the case at present in the development of marine resources. The scientists have done their preliminary work on marine resources pretty thoroughly. Possibilities have been demonstrated and wait to be realized. Their realization is a task upon which American business is now working.

For example, one of the most pressing problems of marine industry in this country is a problem in manufacturing. The thing needed is a small plant, for the manufacture of fish scrap and non-edible fish into fish meal and oil, sold at such a low cost that one can be installed in every little fishing community in America. Such plants would save millions of dollars worth of valuable industrial material which is now being wasted. And it would not save merely fish scrap and fish oil. Such a plant would serve also as a headquarters for the collection and disposal of other by-products of commercial fishing.

The utilization of shark skins for leather is a case in point. It has been abundantly demonstrated that the hides of nearly all varieties of sharks can be manufactured into a very fine grade of leather. Shark shoes have been actually manufactured and marketed. It seems to be a fact that shark leather is in many ways better for the uppers of shoes than calf-skin. Mr. Lewis Radcliff, of the Bureau of Fisheries, who has been a scientific pioneer in the use of shark leather, has been wearing for some months a shark-skin shoe on one foot and a calf-skin shoe on the other. As a demonstration of the value of shark leather, he asks you to look at his feet. The calf-skin shoe is abraded—"scuffed up," in colloquial phrase. The shark-skin shoe is almost as smooth as glass. Shark skin has a harder surface than any other leather. A scientist in the Bureau of Standards made a test by going for a long hike through the bramble-grown Maryland hills with the same equipment of one shark-skin shoe and one of calf-skin. The calf was rough as a wood file when he got home, while the shark still showed a smooth polished surface.

It is impossible to make an accurate estimate of the number of sharks in American coastal waters, but it is certain that the sea contains a considerable supply of first-rate leather that is not being adequately utilized. The difficulty is to get the raw material. The recipe for shark leather begins like that for rabbit pie—first catch the shark. Yet thousands of sharks are caught every year and wasted. They get into nets cast for other fish. The fishermen hate them. Sharks eat the food fish and often cut up the nets to boot. The fishermen who

finds a shark in his seine, curses, clubs the ugly monster on the head and drops him overboard. A fine piece of potential leather goes down to rot. The fisherman does not know what else to do with it. If there were a small by-product plant in the fishing village, at which shark skins could be sold, along with fish scrap, non-edible fish and other by-products of fishing, the fisherman would doubtless learn to skin every shark he caught. The shark skins thus brought in would support a small industry, which would in due course solve the problem of how to catch more sharks.

This problem is on the way to solution. A few years ago the least expensive fish plant on the market called for an investment of \$40,000. Now a plant may be bought for \$10,000 or less. One type consists of a single metal cylinder in which the fish scrap is first cooked under pressure, so that the oil may be drained off, and the residues then dried so that it can be ground into meal. Such little, one-man, one-piece fish factories can and ultimately will be marketed for three to four thousand dollars, and they will then be much more widely used.

Of course, the great fishery problem in this country is, and long has been, to create a larger market for food fish, and a market for more varieties of food fish than are at present sold. Food fish will always be the main product of our fisheries. A larger and better utilization of marine by-products depends largely upon a wider market for food fish. Generally speaking, the American people will eat only a few kinds of fish. Salmon, halibut, shad, cod, haddock, mackerel and

The men who have experimented with shark skin for shoes are very much in earnest about it. One enthusiast once brought us in some samples of leather that we might write a stirring editorial in praise of it. You may never wear a pair of such shoes, but it's there to fall back on

herring and their staples. Numerous other species equally valuable as food and equally palatable when properly prepared, are either wholly neglected or used only in some localities. Salmon and shad fisheries are in some places being depleted, but in general the fisheries are capable of producing far more food than is used. Furthermore, methods of keeping the fisheries in a continuously productive condition are always being improved. Just recently the Bureau has devised a method of conserving the New England haddock fisheries, which could be much more widely used if necessary, and would make the production of fish almost as certain as the production of a crop of grain.

The haddock are taken when in a spawning condition—that is, when the female is full of spawn and the male of milt. Heretofore, tons of spawn have died in the bodies of the fish. Now the Bureau had adopted the practice of stationing its own employees on the fishing boats to take care of the spawn. As fast as the fish are caught the spawn and milt are stripped into tubs together, and these tubs of fertilized spawn are dumped into the sea. Thus a new crop of fish is sown, just as a farmer sows a crop of corn.

Our fisheries, then, may be regarded as a continuously productive resource, no less than the land, and one which could produce much larger quantities of food, fertilizer and other materials than they are now producing. The problem of teaching the American people to make better use of this great resource is one upon which both the Bureau and the fishing industry have been working for years. It is largely a problem in advertising and publicity. During the war, when the Bureau was granted appropriations to be used in popularizing fish as a food, enough was accomplished to show that the thing can be done. The consumption of fish was materially increased, in some centers as much as 50 per cent or more. New species were brought into use. On the Pacific coast, large quantities of sable fish were marketed as the result of a publicity campaign. Since the campaign was given up for lack of funds, the consumption of sable fish has greatly declined.

Another example of what may be accomplished in this line by advertising was the placing on the market a few years ago of the tile fish. This

excellent food fish was supposed to be almost extinct. Then it was suddenly discovered to have reappeared in its old haunts in large numbers. Quantities of the fish were taken and were marketed in the streets of New York by push-cart men. The fish were exhibited at the New York aquarium and much newspaper publicity was given the matter. As a result, the tile fish became a staple food product, the demand for which is far greater than the supply.

One of the greatest economies in the use of marine products achieved in recent years has been



the feeding of fish meal to hogs and other livestock. Until a short time ago, the waste products from commercial fisheries, fish canneries and fish oil factories were used for fertilizer when not wasted. Large quantities of fish scrap are still wasted for lack of reduction plants, as explained above, but a large part of the waste is converted into livestock food instead of fertilizer.

Fish meal has its greatest use as feed for hogs. According to the Bureau of Animal Industry, a mixture of 10 per cent of fish meal with corn makes a much better-balanced diet than corn fed alone.

In addition to its use as hog feed, fish meal is used largely by manufacturers of mixed feeds, although the fact is not always advertised by the producer. It is probable that fish meal is being fed to all sorts of livestock in this country today, as it has been in Europe for many years. The lower animals have proven much more teachable in this matter than have humans. Hogs quickly acquire a taste for fish, which seems not to be shared by the American people.

The largest source of fish meal in this country is the factories on the Atlantic coast in which menhaden are converted into oil and scrap. The machinery used in these factories has been brought to a high degree of perfection. The fish are dumped in at the top and never stop moving until they have passed through the cooking vats and the driers which separate them into oil and scrap.

The most interesting recent development in the utilization of a marine resource other than fish is the experimental work of the Bureau of Soils, Department of Agriculture, in the manufacture of potash, iodine and charcoal from the beds of giant kelp on the Pacific Coast.

An incorrect idea of the results of these experiments has been given the public because Congress refused to make further appropriations for them. Speeches were made on the floor of the House to the effect that the experiments had been a failure, and this statement was given wide publicity. The government accordingly sold its kelp plant last April as a going concern to a corporation organized for the purpose of operating it. Dr. J. W. Turrentine, the chemical engineer who had charge of the kelp experiments for the Bureau of Soils, has just returned to Washington after spending six months helping to enlarge and reorganize the plant under private ownership. In refutation of the statement that the experiment was a failure he offers the facts that the plant has been enlarged 75 per cent, that further enlargements are being planned, and that the plant is now being operated at a profit. He states further that the plant could be operated at a profit for the extraction of a single by-product, which was not even considered before the experiments began. This by-product is a high grade of decolorizing carbon, known as kelpchar, and used in purifying sugars, syrups, organic acids and many other chemical preparations.

The government operated its kelp plant nearly five years and expended about \$600,000 of government money in the work. About \$100,000 worth of kelp products were marketed during this period. Dr. Turrentine states that if the plant had been supported by Congress for one more season it could have paid back the current annual appropriation out of its sales. The present plant under private ownership represents an investment value of about \$150,000 and has a capacity of about \$345,000 worth of kelp products annually. Dr. Turrentine estimates that the kelp beds of southern California alone are capable of supporting an industry

with an annual product worth \$15,000,000. It has been estimated that all of the Pacific kelp beds might yield \$150,000,000 worth of potash, iodine and carbon annually.

Here is an entirely new marine industry which may reach substantial proportions, and which produces a material—potash—that is a fundamental necessity of human life, for the support of life is largely a problem in obtaining potash and nitrogen. Furthermore, this marine potash supply, unlike the mineral deposits of it, is perfectly self-perpetuating. The giant kelp is a marvelous natural agency for the extraction of potash from sea water, and a crop of it may be harvested every three months without the slightest permanent injury to the beds.

The kelp is a most remarkable plant. It reaches a length of fifty to seventy-five feet, the last twenty or twenty-five feet of this lying on the surface of the water. The marine mowing machines, with which the kelp is harvested, cut the plant about six feet below the surface. The plant then dies down to its rootstock on the ocean floor, but within the incredibly short period of three months it has reached its full length again. It is the nearest living rival to the famous bean stalk that Jack planted.

The wonderful growing power of the kelp is due to the fact that it is an organism living in an ideal medium. It has no enemies that devour it, and is not subjected to wind or frost. It produces no woody substance and no bark. The whole plant is one vast feeding surface, and the sea water is its food.

The mysterious thing about the kelp is why and how it stores up such enormous

quantities of potash. The amount of potash in a given volume of sea water is so small that it can barely be detected by chemical analysis. Man could never profitably extract potash from the water for himself. But the kelp extracts it for him. Apparently it fills its veins with potassium chloride to prevent the invasion of sodium chloride or common salt, which is fatal to plant growth. In an equally mysterious way, and for a reason which cannot even be surmised, the kelp also extracts from the sea water the iodine which also occurs there in a minute proportion. The kelp beds may be regarded as vast natural potash and iodine factories. The human problem has been merely to extract these materials from the body of the plant, and that problem has been thoroughly solved.

The method perfected by the Bureau of Soils consists of drying the kelp, and then subjecting it to destructive distillation, which consists of exposure to a very high degree of heat with air excluded. The volatile products are thus driven off. What remains is a fine charcoal. This is again heated to about 2,000 degrees centigrade in an electric furnace, which increases the absorbent power of the charcoal. The potash and iodine are then leached out with water, and the process is complete, yielding the three products of carbon, potash and iodine.

The latest kelp product is a pill made from the substance of the plant which is being prescribed by some specialists for goitre. It is well known that goitre is caused by a deficiency of iodine in certain glands of the neck, and the kelp preparation is said to supply this deficiency.

New Viewpoint of Immigration

A YEAR ago we were confronted with an unemployment problem of such dimensions that the President called a national conference to consider it and to devise methods of dealing with it. The conference stated that the solution of the problem was essentially a local one and called upon local officials and employers to do all they could to provide employment. It also encouraged states and their subdivisions to undertake public works, such as road building. It gave what encouragement it could to a revival of the building industry.

Today we are hearing from a constantly increasing number of sources that there is a shortage of labor. The revived building industry has absorbed labor to an unprecedented degree; road building has set new records. At the same time the automotive industry has expanded beyond expectation. All of these, but especially the building industry, and most especially that part of the building industry concerned with housing, have created demands which have stimulated industries in a hundred different lines. For the completed house must be equipped and furnished.

So within a year we have gone from a surplus of labor so great that it stirred the national conscience, to an apparent dearth of labor. The word "apparent" is used advisedly, for while there are places, perhaps whole sections of the country, where there can be little question that the visible supply of certain kinds of labor, especially unskilled manual labor, is unequal to the present demand; there are other places where there is an apparent surplus even of unskilled labor while other kinds are a drug on the market.

Meanwhile we have in operation an emergency immigration law that very considerably reduces the number of alien laborers who

may come to America. The figures for the first year of the emergency law's operation, that ended June 30, 1922, are, of course, not conclusive for they were made when economic conditions in this country offered little temptation to European workers. The figures for the first months of the present year indicate a considerable change—the countries of northern and western Europe, for example, which last year failed to approach their quotas are this year sending far larger numbers of their people to our shores. Nevertheless, the emergency law is fulfilling a purpose for which it was enacted, it is limiting the number of newcomers from southern and eastern Europe. These peoples in years past have supplied a large part of our unskilled workers. Naturally then on the appearance of a shortage there is immediately a demand that the bars against them be let down.

This demand raises a number of questions. Is the present call for labor a continuing one, or is it due to meeting shortages—such as that of housing—and so likely to diminish as the shortages are made up? If the labor supply were adequate to meet all present demands would there be no other check on expansion—are our railroads adequately equipped to handle the increased business, will our coal supply carry us, not only through the winter, but also through next summer and the following winter? Have we adequate housing for the wished-for workers? Have we taken effective measures to assimilate them, so we shall not have again the agitation over radicalism which disturbed us two and three years ago?

The question demands immediate attention and study. The answer, it will be seen, involves more than a response to immediate demand for more workers.

Selling the Sea to the Farms

By ROSCOE C. MITCHELL

EDWARD C. PLUMMER is a down East Yankee, who looks like Rudyard Kipling and talks like Lloyd George. He has been a sailor, a shipbuilder, an editor, a Chamber of Commerce secretary, a poet, a writer of sea stories, and an admiralty lawyer. He is now a member of the United States Shipping Board. But not satisfied with the vocations, avocations and professions already enumerated, he has, with the proverbial enterprise of the New Englander, gone forth seeking added laurels in a new field.

And now, on the eve of his fifty-ninth birthday, he blossoms out as a super-salesman. It's his job to sell the American merchant marine to the wheat grower of North Dakota, the sheep raiser of Wyoming, and the lumberman of Minnesota, and if the avalanche of letters that have been pouring in on the statesmen up on Capitol Hill is to be accepted as a criterion, he is making good on the job.

When Congress began to show signs of balking on the Ship Subsidy Bill, President Harding decided that he would appeal direct to the people. Forthwith he pressed a button (or did whatever a President does when he desires to converse with his secretary), and to Mr. Christian he said in substance (it is not considered proper ethics to quote the President direct) something like this:

"George, send for the Shipping Board. Get them all up here; I want to find a man who can sell this proposition to the American people."

Ships? He Was Born to 'Em

AND with Chairman Lasker and his six co-workers lined up in the White House, the President looked them over, and what did he find?

First, there was one of the shining lights in the advertising world. He knew all there is to know about salesmanship, but unfortunately he knew little about ships. Next came two very able lawyers from the Pacific coast. But it was found that they were a little bit hazy as to the difference between a brig and a barge. Then came a labor leader, followed by a newspaper publisher. Bringing up the rear was a retired officer of the United States Navy, who had won great distinction during the World War. And then stepped forward Edward C. Plummer, of Bath, Maine. Did he know anything about ships? Well, he is the fifth in a generation of shipbuilders and attended his first launching when he was in pinafores. Before attaining his majority he served his apprenticeship in a shipyard and then took service before the mast. What he doesn't know about ships isn't worth knowing.

So this was the man the President was seeking. He could go out to Missouri and show the farmer, the village blacksmith and the drug clerk how and why it was to their personal advantage for the United States Government to offer every inducement to private capital to maintain and operate an adequate fleet of merchant vessels under the American flag. And so under these auspicious circumstances, the great-great-grandson of old man Jeremiah Plummer, who started building ships up on the coast of Maine in 1797, the year John Adams was inaugurated President of the United States, packed his sample case

and started forth to that section of the country where the longshoreman and the stevedore dwell not. He carried with him a fine line of 535's and a few samples of 8,800 and 13,000 tonners (in the form of blueprints and steel etchings). But his chief stock in trade was a thorough knowledge of ships and shipping and a vocabulary that would have done credit to the late Mr. Noah Webster.

And here is the line of argument Mr. Plummer used in addressing the people of the interior States:

"It costs too much, and it takes too long to get things from the actual producer to the actual consumer.

"If the legislation now pending in Congress is enacted into law, the Government will provide for the coordination of rail and water transportation. This will give to you here in the Middle West an adequate and continuous service from the gate of the farm and the door of the factory to the warehouses in foreign ports. It will eliminate grain blockades and those tremendous losses which delays in transit—in loading and unloading—annually impose upon both producer and consumer."

Talking in a language devoid of technical terms, Mr. Plummer went at his job like a trained salesman who might be offering socks, threshing machines or smoked hams. He didn't confuse the minds of his hearers by discussing deadweight, net and gross tons, or the legal intricacies of the Lasker Subsidy Bill. He went straight at the heart of the measure. He told the people of the interior states to center their attention on Title VI, which compels the organization of a joint board consisting of members of the Interstate Commerce Commission and the United States Shipping Board, which joint board shall in effect see to it that there is the proper coordination between land and water transportation. Other parts of the Subsidy Bill, he said, are largely a means to this end—to make it possible for the ships to be where they are needed when they are needed. He then made it clear that such a policy would reduce the costs of transportation, thereby enlarging America's foreign markets and increasing employment for our people.

Doubting Thomases were prevailed upon to ask questions. And again the man from Maine demonstrated that he is a natural-born salesman. For once you get your prospective customers interested in your samples, the better your chance of making a sale. And maritime questions are simply pie for Commissioner Plummer. It's as easy for him to tell you the deadweight tonnage or the waterline measurement of Noah's Ark as it is for the average man to multiply 4 by 5. He can tell you right off the bat what it cost to feed each passenger on the *Mayflower*.

Of course, there is still opposition to the Ship Subsidy Bill in many quarters. Senators and representatives of both political parties who are backing the legislation have not been able to convince all of their constituents that the Government is justified in digging into the Treasury to help private owners keep the American flag on the seven seas. Occasionally, Mr. Plummer encountered such opposition.

"You are right," he would reply. "The Shipping Bill is not perfect. It is not wholly

as I or any other single member of the Shipping Board would have written it; but as the Constitution of the United States—so rightly termed the grandest single work ever struck off by the hand of man—required and received ten amendments before the ink which registered its adoption by the thirteen Colonies was really dry, so it may well be admitted that this product of many commingling minds is not above improvement."

In pointing out the need of an adequate merchant marine, Mr. Plummer has often reminded his audiences that America has much to learn from England in the successful operation of ships. After working in the shipyards near Freeport, Me., his birthplace, and when he had served his apprenticeship before the mast, Mr. Plummer took a jaunt over to England and visited the yards in the United Kingdom and, in addition, through the courtesy of the members of the British Board of Trade, he obtained data of a practical nature which he has always considered as of the greatest value. There he caught a clear understanding of how closely interwoven are the trade and traffic interests of England—the business houses at either end and the ship the connecting link. These facts disclosed to him the great advantages which the Europeans, and particularly the British, had secured in trade strategy while the United States was engrossed in problems and industries which developed following the Civil War.

A Little Job of Education

IN HIS TALK with me and in all of his speeches, Mr. Plummer has made it clear that he has in view only the education of the people in regard to this important aspect of national life, wholly free from any desire to convert them to the details of the pending Subsidy Bill. He has, however, been zealous in his effort to open their eyes to the importance of the principles involved: viz., that a maritime nation is deficient in equipment for its life and work as a nation unless it has an adequate merchant marine under its control; and, more serious still, its safety is in peril in time of war without vessels for transport and auxiliary service. The higher standards of American labor conditions make the commercial success of these vessels impractical without the assistance of the Government.

But I am getting away from Title VI—and Mr. Plummer assured me that that section is the whole heart and soul of the legislation now before Congress—which provides for the coordination of land and water service. He lays great stress on the necessity of giving the producer of the raw materials and of the manufactured products in the interior states a direct service to their customers in Calcutta, Melbourne or Copenhagen. From the farm gate and the factory door to the warehouses overseas is to him something that can be looked forward to as a certainty of the near future, and not merely a play on words.

In line with such a service, Mr. Plummer told me that the authors of the Jones Act in 1920 had in mind the grain blockades and other obstacles encountered in the movement of overseas freight when they provided that all important ports of the United States must be developed and that all necessary lines of ocean communication from these

several American ports must be established and maintained so that the great producing centers of the United States should never be dependent on a single line of transportation.

In England, and particularly at the offices of the British Board of Trade, Mr. Plummer discovered that the merchant and the shipmaster of England travel hand in hand—that the merchant developed business enterprises in foreign lands and thereby gave business to the British ships. Thus assured a substantial business by their own people, these ships were in an advantageous position to compete for the business of other nations.

The fact that England's ships in her foreign trade for the past century or more always have handled more than two-thirds of that trade, and frequently more than three-fourths of that trade, shows the effectiveness of the cooperation which has so long existed between her merchants and her shipping men. Mr. Plummer said that the result has been a great business advantage to English ships which American ships do not, and cannot for many years, possess. Those business interests, he said, are what have enabled the ships of England to compete successfully against more cheaply operated vessels such as the Scandinavian and the Japanese.

When I asked Mr. Plummer if the pending Ship Subsidy legislation would tend to reduce the cost of ocean transportation and, if so, would the government subsidy be sufficient to enable the American shipowners to continue to operate in competition with England and Japan, he replied:

"The ultimate purpose of the Shipping Act, and one which will promptly appear, is to produce cheaper as well as adequate transportation. The fact that the president of the Chamber of Shipping of the United Kingdom, in his recent report, states that only 10 per cent of England's shipping is idle, and that much of this shipping is obsolete—shipping that would be dismantled under ordinary circumstances, and is only kept in service now because of the extremely high cost of replacement—shows that uneconomical ships are engaged in the transportation of the world's commerce, and particularly our own.

"The economical motor ships which United States competition in the South American trade has forced the English and German competitors to put into that trade show how economical ships will be forced into the world's trade generally by American competition when Americans have authority to back their tramp fleets as they now have authority to back their liners. When it is recalled that 60 per cent of the ocean freight business is done by tramps—vessels that have no regular routes but go wherever cargoes are to be found—the tremendous advantage which the foreigner has in shipping, while our tramps are forced to remain idle, becomes at once apparent."

It is an interesting picture that Mr. Plummer draws of the transformation of ocean cargo vessels within the last third of a century. He discussed the lesson taught by the change from sail to steam, which resulted in such a tremendous increase in the world's ocean-borne commerce and lifted the fleet in England from 3,000,000 tons to the more than 20,000,000 tons of today. There will be another such change, he predicted, when American competition (or, of course, any other such competition, if it were possible) shall have forced the water carriers of the world to provide economical ships. Roughly speaking, the change from sail to steam was not greater than will be the change from the average steamship of today to

the economical motor or other improved ships of tomorrow.

"There will result from such an improvement in ocean transportation," Mr. Plummer said, "a tremendous development of the world's ocean-borne business—the business in which foreign nations providing themselves with economical ships will share the same as the Americans. The result of these developments in ocean trade will be a great increase in the markets afforded to producers of the United States—an increase in employment along marine lines and along the lines of production which this nation is best fitted to follow. This will be a benefit to the whole world."

Those who are interested in the development of a strong American merchant marine should not in their enthusiasm overlook the fact that, from its very make-up, the British Empire, so long as it exists, will have, and in the opinion of Mr. Plummer is entitled to have, numerically the largest merchant fleet in the world. The fact that the pending Subsidy Bill contemplates only 7,500,000 tons of American shipping as against the 21,000,000 tons conceded to Great Britain shows that American legislators clearly recognize this fact. Americans do not even seek a monopoly of their own ocean-borne foreign trade; they only demand tonnage sufficient to make them independent.

Commenting on the foreign opposition to American shipping legislation, Mr. Plummer said:

"They even protest our applying coastwise laws to the Philippines. Why is it that it's all right for Japan to apply coasting laws to Formosa and all wrong for us to

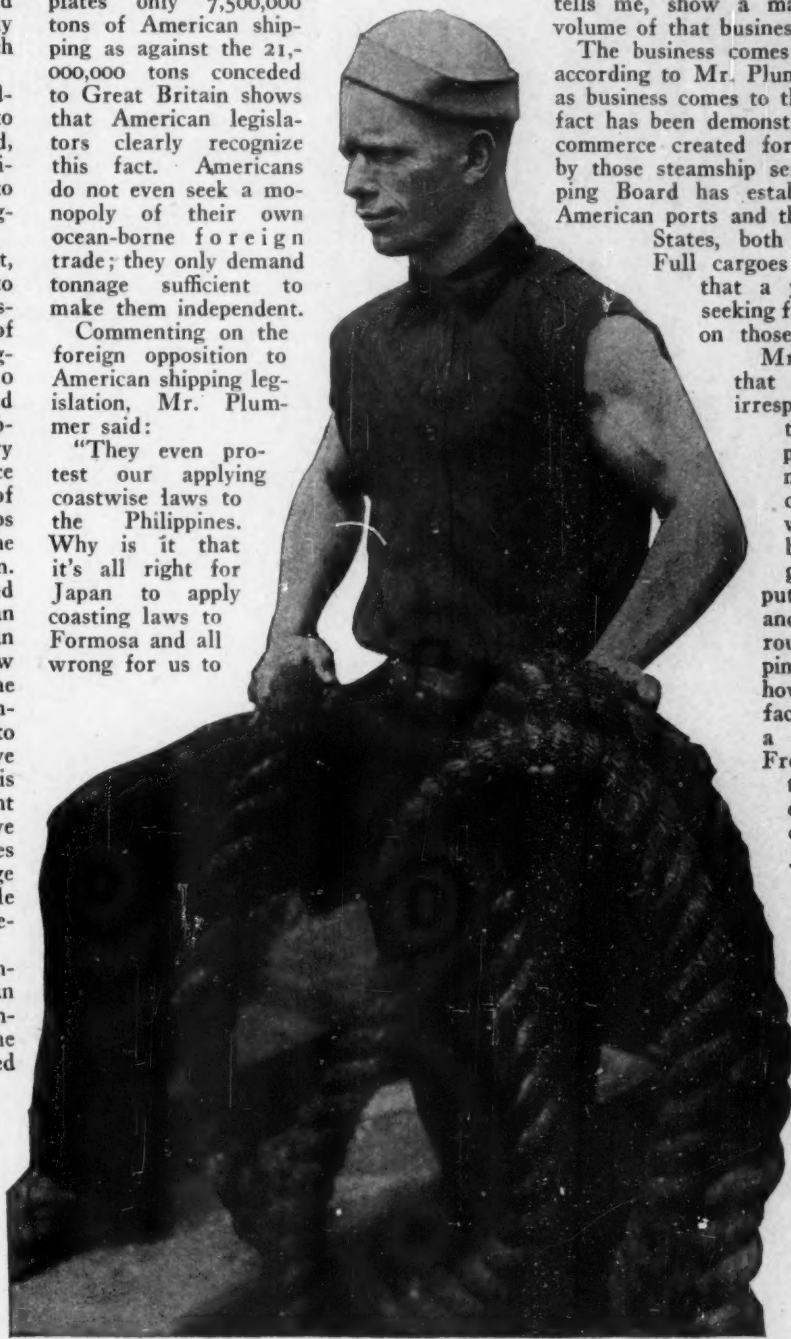
do the same thing with the Philippines? Why is it all right for Australia in its current budget to appropriate £2,100,000 to be loaned for ship construction and all wrong for us to do the same thing? If we followed Australia's lead, we'd have in this bill a loan fund of \$205,000,000 instead of the \$125,000,000 that's actually there."

Mr. Plummer said that it has been the desire of foreign shipping interests to inject domestic political bias into the fight for adequate shipping laws in this country. "They hope to get the two fire companies fighting," he said, "as to which one shall 'hook on to the hydrant,' and meantime the house is burning down."

Those who are leading the fight for the passage of the Ship Subsidy Bill are not permitting the public to overlook the fact that the ocean-borne commerce of the United States is the greatest international prize in the commercial world. In 1921 it exceeded 85,000,000 tons of cargo and gave employment to 138,000,000 tons of shipping. The first six months of the year, Mr. Plummer tells me, show a marked increase in the volume of that business.

The business comes to the inviting ships, according to Mr. Plummer's contention, just as business comes to the inviting port. This fact has been demonstrated, he said, by that commerce created for the American people by those steamship services which the Shipping Board has established between South American ports and the ports of the United States, both Atlantic and Pacific. Full cargoes now greet our ships that a year ago were vainly seeking freight—and lower rates on those ships have followed.

Mr. Plummer believes that the American people, irrespective of political parties, are back of the pending Ship Subsidy measure. He feels confident that the bill will be enacted into law by the present Congress. Then he will put aside his sample case and get back to the routine work of the Shipping Board. He will not, however, overlook the fact that his family has a claim against the French Government for three ships built by one of his shipbuilding ancestors after old man Jeremiah Plummer's death. The Maine Customs House was destroyed by fire, the records in the case were lost, and the family has never been able to convince the French Government of the genuineness of the claim. But Mr. Plummer is not losing much sleep over this century-old claim. The Plummers were most prolific in replenishing the earth, and his share of the old debt, he figures, would not amount to more than seven dollars.



Here's the kind of American seaman the subsidy bill seeks to develop. His family never came on the Mayflower but he's a good sort of citizen

The Old Sailors

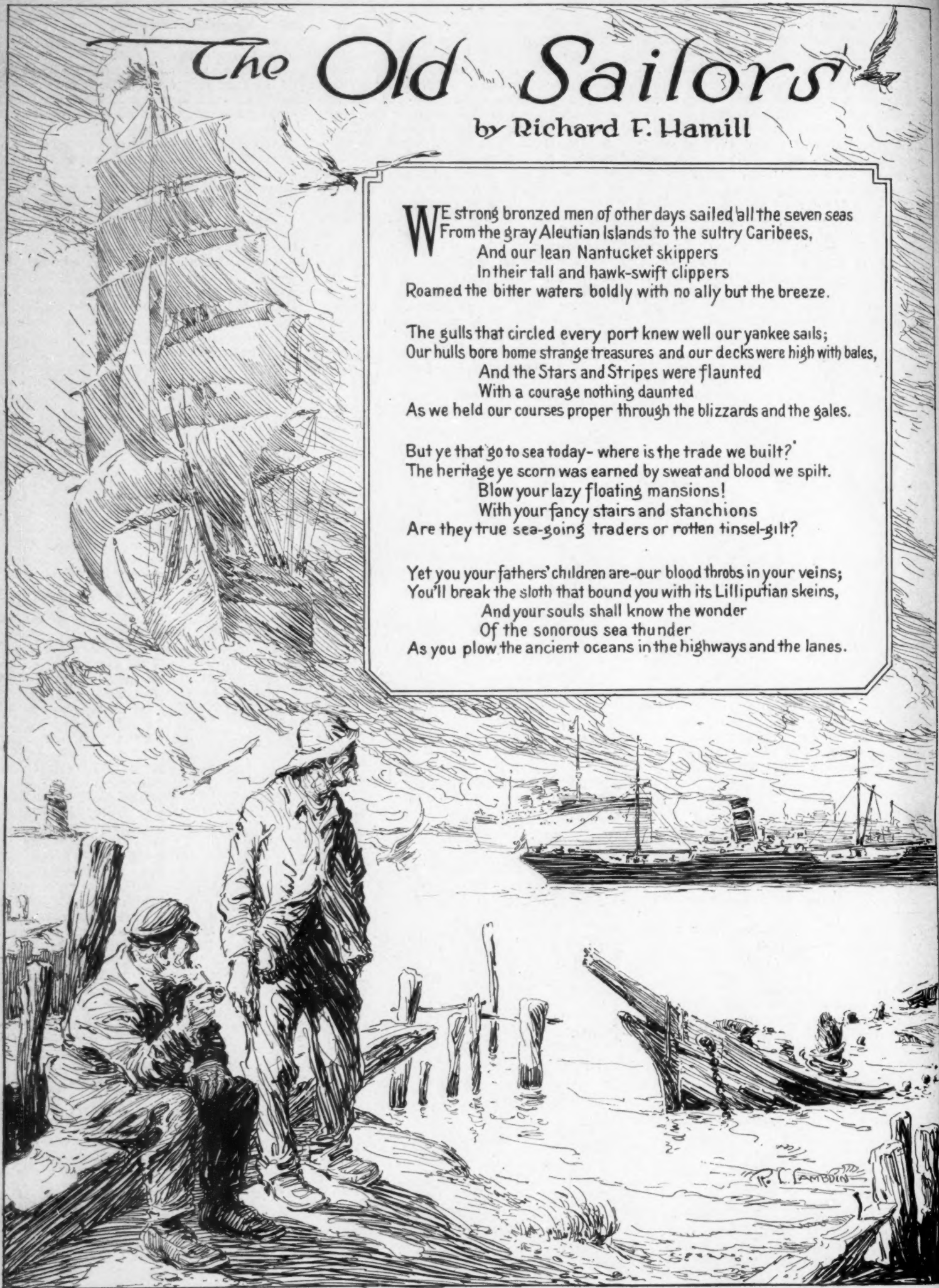
by Richard F. Hamill

WE strong bronzed men of other days sailed all the seven seas
From the gray Aleutian Islands to the sultry Caribees,
And our lean Nantucket skippers
In their tall and hawk-swift clippers
Roamed the bitter waters boldly with no ally but the breeze.

The gulls that circled every port knew well our yankee sails;
Our hulls bore home strange treasures and our decks were high with bales,
And the Stars and Stripes were flaunted
With a courage nothing daunted
As we held our courses proper through the blizzards and the gales.

But ye that go to sea today- where is the trade we built?
The heritage ye scorn was earned by sweat and blood we spilt.
Blow your lazy floating mansions!
With your fancy stairs and stanchions
Are they true sea-going traders or rotten tinsel-gilt?

Yet you your fathers' children are-our blood throbs in your veins;
You'll break the sloth that bound you with its Lilliputian skeins,
And your souls shall know the wonder
Of the sonorous sea thunder
As you plow the ancient oceans in the highways and the lanes.



The Yankee Shipowner Speaks—

I AM a web-footed, 100 per cent American citizen. Since 1632, when my paternal ancestors first came over, every one of them has derived his living from the sea, and I myself have been as close to the sea, and all other things that pertain thereto, as any man could be who had not gained his entire livelihood therefrom.

I often think that I forget every day more about maritime affairs than most of these modern students ever have learned, or ever will learn during their natural lives. When I read the printed testimony presented at hearings and investigations relating to shipping, or when I read many shipping articles, I am filled with righteous indignation at the ignorance displayed by some who assume to speak or write with authority upon the subjects that they are considering.

I am moved to this outbreak by recent reading of certain stuff about the Ship Subsidy Bill that we are told will presently be before Congress for debate. From these outgivings you will infer that the purpose of a subsidy to the merchant marine is to enable a few men to get a lot of money out of the Treasury; that there is no necessity for government aid to a merchant marine; in fact, that there is really no necessity for a merchant marine under the American flag.

But let all of that pass. I could talk upon the subject for hours and convince any open-minded person that if we are going to have a merchant marine, either as an auxiliary arm of our naval defense in time of war or as a matter of economic importance in respect of our foreign commerce, it would be the height of folly for us to neglect the present opportunity to put our ships and our flags back upon the seas.

I have been wanting to return to the shipping game, and I have been making a careful study of shipping conditions in the United States to discover what inducement there might be in the near future for me and my friends to invest our money in American shipping enterprises. I have been trying to compare the capital cost and the cost of operation of American and British ships, for instance, to determine what the chances were for being able successfully to compete with British shipowners not only under existing, but under normal, conditions, and here are some of the results:

I started with two ships of 8,800 tons deadweight, or 6,000 tons gross. I figured that I was going to buy Shipping Board ships at demoralized prices, or \$30 per deadweight ton, and that the British ship would cost the same, or \$264,000. I estimated that

both ships would be at sea 46 days, in port 14 days, or a total of 60 days for a round voyage to a European port, or six round voyages in a year. The estimated consumption of coal was put at 36 tons per sea day, and 5 tons per port day—coal costing \$5.57 in the bunkers. The wages I based upon the standard payroll of May, 1922, for the British ship, and for the American ship the

\$11,070. For the same number of men on the British ship at 60c per day \$8,850, or a difference against the American ship of \$2,214. You will observe that I have figured the same number of men for each ship, but there again I have been unfair to the American ship, because the British cargo ships always carry fewer than the American, this disparity against the American ship being the result of American law and custom. Repairs, stores, fuel and port charges I have estimated to be the same in respect of both ships.

The total annual cost for the American ship amounts to \$247,266, and for the British ship \$233,340, or a difference of \$13,926. The annual gross charges of the American ship would be substantially 93.66 per cent of the capital cost, and in the case of the British ship 88.39 per cent. The annual operating cost per deadweight ton of the American ship would be \$28.10, and for the British ship \$26.52.

Now, let us see what I should get from the Government under the terms of the Subsidy Bill that is going to make a Croesus of every shipowner, toward making up the differential against my American ship. Under the bill I should receive from the Government a payment based upon one-half cent per gross ton for each 100 miles steamed. If my ship were to make six round trips between America and Europe of 6,000 miles each, or 36,000 miles a year, I should receive \$10,800, which is \$3,196 less than the differential between my ship and the British ship, even when favoring the British ship in my estimates. My subsidy, by the way, would represent 4.09 per cent of the bargain price cost of my ship.

Do you wonder the United Fruit Company, that during the war transferred its foreign built ships sailing under foreign flags to American registry, is now building ships abroad to be sailed under foreign flags, or that one of the big exporting companies of the country is having built abroad two of the largest ore carrying steamers that were ever constructed, and which will, of course, have to be given foreign registry and be compelled to fly a foreign flag in American ports.

In a majority of cases it probably will be found that the differential against the American ship is much greater in capital cost than it is in cost of operation. Take the cargo ships, for instance. They can be built in Great Britain at a price ranging from \$55 to \$65 per deadweight ton. The same ship in this country would cost \$95 per deadweight ton. Take your paper and pencil

THERE came into my office the other day a man whose life-work has been ships and shipping. He laid on my desk these figures comparing passengers, crews and costs on the *America*, under the American flag, and on the *Baltic*, flying the Union Jack:

	<i>S. S. America</i>		<i>S. S. Baltic</i>
First.....	292	First.....	350
Second.....	293	Second.....	440
Third closed.....	1,246	Third.....	1,250
Third open.....	1,324		
Total passengers.....	3,155	Total passengers.....	2,040
Deck department....	95	Deck department....	51
Engine department....	173*	Engine department....	103*
Steward's department,	272	Steward's dept.....	209
Total American crew..	540	Total British crew..	363
* Firemen, 51, and watertenders, 9.		* Boiler room, 43.	

In the comparison of the annual operating expenses of the two steamships (with the British pound sterling at \$4.86, or par), the following figures are given:

	<i>S. S. America</i>	<i>S. S. Baltic</i>	Difference
Gross tonnage.....	21,144	23,876	2,732
Speed (knots).....	17	19	
Cost at 100 Dwt. ton... \$2,114,400		\$2,387,600	\$273,200
Insurance, 5.5 per cent....	116,292	at 5 per cent... 119,380	-3,088
Wages, 540 men.....	411,090	363 men..... 233,443	177,647
Subsistence, 540 men at 75c.	147,825	363 men at 60c. 79,497	68,328
Total.....			\$245,975
Less difference in insurance.....			3,088
Total differential against the <i>S. S. America</i> ..			\$242,887
Subsidy, based upon payment of 1.2 cents per gross ton (21,144) for each 100 miles steamed, estimated 60,000 miles per annum.....			152,237
Differential after payment of subsidy.....			\$90,650

"Don't," said my visitor, "be misled by the comparison of passenger capacity. The *America* can carry more, but on eleven voyages covering the same period of the year the *Baltic's* average per voyage was 665 and the *America's* 575."

And then he talked off the story that I have set down here.

THE EDITOR.

American Steamship Owners' Association's scale of last January. I converted the pound sterling at the rate of \$4.40. I figured the depreciation in each case at 5 per cent, or \$13,200. Insurance I figured at 5.5 per cent for the American ship, or \$14,520, and 5 per cent for the British ship, or \$13,200, a difference of \$1,320 in favor of the British ship. Interest figured at 6 per cent in both cases, making \$15,840. I should have figured the interest on the British investment at a lower rate because the rate of interest is always lower in England than it is in the United States. Wages on the American ship totaled \$37,980, and on the British ship \$27,588, a difference of \$10,392 against the American ship. Subsistence for 41 men at 75c per day on the American ship came to

and just see how that figures out on an 8,800 deadweight ton cargo ship for which you pay \$95 in an American shipyard and \$60 in a British shipyard. The cost of your American ship would be \$836,000, and your British ship \$528,000, or a difference of \$308,000. Figuring your depreciation at 5 per cent in each case, you will find the differential running against the American ship in that item is \$15,400. Insurance at 5.5 per cent for the American, and 5 per cent for the British, shows a difference of \$19,580.

Some wise heads who are opposing subsidy legislation think they have discovered a mare's nest in the case of the *Leviathan*, now being reconditioned for use as an American passenger ship. A newspaper opposing government aid to our merchant marine on traditional grounds, and not because it knows anything about the subject, opened its columns to a writer to show that the *Leviathan* would receive a subsidy based upon her cost of reconditioning, practically \$8,000,000,

rather than upon her cost, which would net a large return upon the present outlay. That is undoubtedly true, and it is equally true that if only a part of the subsidy bill is considered she would receive more than the newspaper writer awards her. But what the writer omits to state is that the *Leviathan* presents a case that will not be paralleled, and that to cover this and other exceptional cases the bill now before Congress expressly authorizes the Shipping Board in making a contract for compensation with a shipowner to raise the rate or lower it as the circumstances may seem to justify, except in raising the rate the latter may not exceed the maximum rate prescribed by the bill. But, of course, a little thing like that does not worry a man who is merely looking for the things he wants to see and is not troubled by facts.

I could give scores of illustrations of the differential that now operates against the American shipping man in competition with

foreigners. But what is the use? The opposition to a subsidy for the American merchant marine, where it is not political, is based upon a traditional hard and fast theory that under no circumstances should governments assist private enterprises of the sea, however liberally industries may be protected or subsidized ashore. But it may interest the business men of this country to know that I and other men who would like to engage in maritime enterprises will not put our money to the hazard created by existing conditions. If the Government will extend to us a little help over a series of years until we can establish ourselves, build up our organizations and gain world-wide experience in shipping, an experience that only a very limited number of Americans now have, and until trade conditions throughout the world become stabilized, we will be ready to contribute not only our bit but practically our all to restoring the American flag to the seven seas.

New Building Gets Under Way

THE contracts for construction of the new home, in Washington, of the Chamber of Commerce of the United States was awarded during the month.

In making the announcement, Julius H. Barnes, president of the Chamber, said that "it is intended that this national home of American business shall be erected literally on the genuinely open shop plan of employment."

The specifications for the building, which will cost two and one-half million dollars contain the following clause:

The actual construction of the building is to be upon the "open shop" basis, that is, that union and non-union men shall be employed without discrimination, it being understood that the Building Committee of the Chamber of Commerce of the United States shall provide such means as in its best judgment will be impartial and disinterested for prompt review and decision with respect to the interpretation and application of this clause. Such decision shall be final and binding.

Continuing his comment, Mr. Barnes said: "This clause in the building specifications means exactly what it says. It does not mean a 'closed shop' against either organized or independent labor. The Chamber intends that this clause shall be carried out and applied in absolutely good faith, exactly as stated; no more and no less."

Work on the building is now under way. It is hoped to complete the structure within a year. The buildings formerly on the property, including the old homeplace of Daniel Webster, have been razed and excavation has been made for the foundations.

The following firms and corporations were the successful bidders:

General Contract—James Stewart and Company, Inc., New York.

Heating, ventilating, plumbing and gas-fitting—W. G. Cornell Co., Washington.

Electrical—L. K. Comstock and Company, Inc., New York.

Elevators—Otis Elevator Company, New York.

Steel—American Bridge Company, New York.

Explaining the reasons which prompted the National Chamber on providing for permanent working quarters in the National Capital, Mr. Barnes said:

The idea back of the new building is to

establish a National Home for Commerce and Industry in the seat of legislation and administration. The policies of Government affect industry today as never before. Industry recognizes that on the large scale of modern business a proper measure of regulation in the public interest may be necessary in the very preservation of fair-play between individuals. But industry also recognizes that the chain of economic evils which flow from unwise legislation and unenlightened administration reaches inevitably into unemployment and distress in many homes.

As fair-minded men seeking to work out the proper relation of Government and Industry—a relation which shall encourage and stimulate rather than depress and stifle enterprise—we want contact with fair-minded men who write our laws and who administer them, believing that accurate and exact information collected in all the channels of trade and focused through the National Chamber will be welcomed.

This home for business means much to the small business man, as it will provide him the contacts with other men familiar with the requirements of industrial production, distribution, transportation, finance, insurance, foreign trade, and other fundamentals of business.

We hope in its exterior appearance this building will typify the dignity and stability of American industry. We hope in its interior atmosphere, it will exemplify the self-respect and fair play of competitive industry, with an added hospitality of its own.

The building is to be of the classic type of architecture in accordance with the prevailing plan of government buildings in Washington since the days of Jefferson. It will have a frontage of 158 feet, with a depth of 149 feet. The architect is Cass Gilbert, of New York, who designed the Treasury Annex, located on the same Square, and the designs have purposely much in common, it being the idea of the Fine Arts Commission to aim at a certain uniformity in the development of buildings around Lafayette Square, on the south side of which the White House is located.

It is the purpose at this time to complete the building up to the balustrade, which will give four stories throughout the full length, and to leave to a later time and to meet the needs of the Chamber the addition of a fifth or even a sixth story, both of which appear upon the Treasury Annex.

There will be an artistically designed auditorium at the back of the lot, estimated to

hold some 850 people. It will extend for three stories of the main building and will have a flat roof. It will be so built as to allow the additions of higher stories.

An interior court will be approximately 60x60, and will be a most attractive feature of the building. From the main entrance, on the H Street side, one will look through the front building and the court to the auditorium in the rear. There will be roofed passages on each side of the court leading from the main building to the auditorium.

Just inside the main entrance there will be a large hall suitable for tablets and the like. The ground floor is arranged to admit of library; small auditorium; conference, committee and reception rooms. The building will be bordered on the east by a wide alley from which visitors may leave their automobiles and enter the reception room, which will have easy access to the auditorium. Carriages and automobiles, using this alley, will have exit facilities both to I Street and to H Street.

The second, third and fourth floors will be the office floors, housing the staff of the National Chamber in Washington. The room for the Board of Directors will be located on the top floor on the east side and will extend considerably above the level of the roof in other parts of the building.

The National Chamber will occupy the entire building and no offices will be rented. The building is not, however, exclusively for the use of officers and staff, but is to be a headquarters for American Business. The large auditorium will be available for meetings of member organizations, and the numerous committee and conference rooms will be at the service of members when not in use for headquarters purposes.

The corner-stone for the new building was laid last May while the National Chamber's tenth annual meeting was in session. Present and former secretaries of the Department of Commerce and leading business men from every section of the country participated in the ceremonies. The speakers were the Secretary of Commerce, Mr. Hoover; the former Secretary of Commerce and Labor, Charles Nagel; L. S. Gillette, chairman of the building committee; Harry A. Wheeler and Joseph H. Defrees, former presidents of the Chamber.

Human Nature in Business

By FRED C. KELLY

A WESTERN man, in starting a hat store a few years back, tried a rather startling method for bringing himself to the attention of possible customers. He printed the name and address of his store on the corner of business envelopes of high quality, and he also printed the line: "Best Values in Men's Hats." Then he got a list of all the members of the various clubs in town. He sent each one of these an envelope by special delivery mail. The envelopes were all entirely empty.

The next morning, the hat man did nothing but answer telephone calls from one man after another who wondered what the letter was that he had neglected to place in the envelope sent with a ten cent special delivery stamp on it.

"How did you know I sent it?" the hat man invariably asked.

"Because your name was on the envelope."

"Did the envelope say I gave the best values in man's hats?"

"Yes, that was on it."

"Oh, well, then, never mind the letter. In fact, there wasn't any letter. I just wanted you to know I can sell you quality hats cheaper than you can get anywhere else."

Whenever the weather is the coldest it has been in several years, one may feel certain that it will be warmer within a day or two. And when it is the hottest day on record, one may be equally sure that it will be cooler soon. Extremes never last long. The same is true in the stock market. When a record high peak of prices is reached, it is time to look for a drop. And when prices are at an unheard of low ebb, they are likely to start upward. Leonard Ayres, of the Cleveland Trust Company, some time ago showed diagrams of weather and stock movements and, though neither one had influenced the other, the two looked almost alike.



Somebody was telling me the other day about a man in the hairpin business who nearly went bankrupt when the fashion of bobbed hair got under way. Imagine devoting a life to building up a big trade and seeing the structure of years swept away because a bunch of women decide to have their hair cut!

For years hotels have been competing with one another to provide the ultimate in a guest's comfort. But it is only recently that anyone had enough imagination to think of anything so sensible as a telephone extension in the bath-room. What is more annoying than to have to get out of the bath-tub all dripping and stand by a wall telephone?

One hotel I saw recently has two telephones in each room, one by the bath-tub and the other on a stand by the head of the bed. Excellent places for phones, but think how long it took for hotel men, even hotel men with the best of intentions—to quit putting them on the wall where a guest can't even sit down. For that matter, it was many years since phones in private homes were placed where one could talk and be comfortable all at once.

Big city hotels have grown in size and "efficiency" in the last few years, but no one has ever been able to equal the quality of service that was provided by the late George C. Boldt, probably the master hotel man of all time. Boldt's success was partly due, perhaps, to the fact that he conducted a great metropolitan hotel much as he might have conducted a country inn. He liked to be near the desk when important trains were due to land guests from Washington and Boston. It was this habit of being on the job personally, keeping an eye on everything, and trying to know as many of his guests as possible by name, that made his hotel different and better.

Boldt once told me that the machinery of a hotel organization should not only work for guests' comfort but should never creak. The guest should never hear or see the machinery that is working for him. Everything should be quiet and smooth as if disorder were impossible. For this reason Boldt would never tolerate loud talking by an employee.

Boldt's was the one hotel where no guest was ever refused cash for his check. The friends made in this way more than paid for the cash paid out on checks that proved worthless.

Another theory of Boldt's was that to be a good hotel man, one had to be born with a gift for observation. Before hiring a man he used to send him on errands about the hotel and then ask him casually about his return what he had noticed. He even used to throw scraps of paper on the floor in order to find out if an applicant for a job had seen them.

One of the officers of a big corporation now drawing an annual salary of more than \$50,000 once told me that his most important salary increase was when he got a raise from \$3,500 to \$5,000. This enabled him to take his family to a more pleasant neighborhood in the large city where they lived, and to buy food of the best quality. Before that they had been obliged to live in surroundings that jarred and to practice the most rigid economy. His next raise was from \$5,000 to \$10,000. This, strange to say, made no striking difference in their joys of life. They moved to a more expensive apartment with more rooms, but it was in no better surroundings and the extra rooms were not greatly needed. They had servants, too, but these brought more trouble than joy. A few years later he was drawing \$25,000 but by that time was expected, as part of his official duties, to meet and entertain many men of affairs. The conse-

quence was that he had to live in a spacious apartment that harbored a butler, and he had to be more economical even than when he got only \$3,500. Indeed, for the first time in her life, his wife was obliged to make her own clothes.



As to occupations, credit men regard railroad men as the most dependable, most likely to pay their bills promptly on a certain day each month. This is because a railroad man from the nature of his work acquires habits of punctuality that extend to his personal affairs.

The proprietor of a candy store at the edge of the retail section on the principal street of a western city noted with pleasure that business was spreading up the street beyond his store. This would make more people pass his doors and consequently he would sell more candy, to say nothing of making more money. He could look out at the front door and see the increase in automobile traffic, and he supposed that there was a similar increase in foot traffic. But for some reason he failed to sell any more candy. To the contrary, his sales dropped. He couldn't understand it. There were the new stores and theaters up beyond his shop pulling people in that direction. The street was as jammed with autos as Fifth Avenue and Forty-second Street. To see just how much foot traffic had increased, he put two men to work counting the pedestrians. He was shocked to learn that the traffic on his side of the street had decreased. He looked about for the cause of this and discovered that a block beyond him was a flatiron corner where the automobiles were so thick that the crossing was dangerous. People walking up the street purposely chose the other side because it happened that the dangerous traffic spot was only on the one side.

The candy man then grew intensely interested in the sad lot of the humble pedestrian. He went to the head of an accident insurance company and got him also interested. These two then went to the police department and demanded that for the sake of humanity a safety zone be established at the dangerous crossing to divert part of the automobile traffic and make it safe for humans to walk there. The police officials recognized that here was a citizen, actuated by the highest humanitarian motives, complaining of a menace that ought to be remedied. They ordered the safety zone established. Within a week the pedestrian traffic past the candy store had almost doubled and the candy sales showed a proportionate increase. The safety zone made a difference to the candy man of many thousands of dollars profit before the end of the year.

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The Logic of a Ship Subsidy

AN ADEQUATE merchant marine under the American flag is a necessary safeguard of our commercial advancement. This is the judgment of the great underlying membership of the Chamber of Commerce of the United States. Repeatedly have business men's organizations declared, after deliberation, that the national interest requires an adequate American merchant marine, a merchant marine privately owned and privately operated.

Nor has business gaily approved a merchant marine without thought of the cost. With equal frequency and the same definiteness it has said there must be government aid. These men know the rigors of competition and are willing to tax themselves to get a fighting chance for our ships upon the ocean. They know that without this chance, American ships will not survive upon the trade routes of the world, where lower wage and cost levels of other countries' vessels will inexorably prevail. Figures, two columns of them, income and outgo, show them this.

Furthermore, business thinks and moves in straight lines; the turnover suffers when its processes become devious, round-about, indirect. Camouflage is always expensive. If aid is to be given, let it be a visible, direct, open affair—a subsidy.

The pending bill is sound in including in its provisions the principle of subsidy, and in seeking other forms of aid that may be extended. It should be placed in final form with all possible expedition. The national interest demands it.

No, Profits Are Not Static, Either

EXCESS PROFITS TAXES prove a snare and a delusion to the public treasury in England as well as elsewhere. In the first six months of the present fiscal year, England has collected under \$5,000,000 from auditing the returns under her former excess profits duty, against an original estimate of over \$100,000,000 as the amount to be got in this year.

Memoirs of a Shilling a Year Man

A MAN OF PARTS does not always season his attainments with humor. Lord Inchcape apparently can carry his successes with a light heart. As a punishment for railing against government extravagances, he recently declared, he was arrested in 1921 by the Prime Minister and the Lord Chancellor and sentenced to six months of hard labor in the Economy Commission.

They began their work in his home at Glenapp, and, instead of shooting grouse, blackgame, wild duck, partridges and pheasants, and sometimes casting a fly, as he had hoped to do, he was tied to a table engaged on masses of figures which showed how they were all being taxed out of existence. He confessed that he never felt happier than he did when in February last they had finished their labors, signed their report, and thrown it at the head of the Chancellor of the Exchequer. Week in, week out, after they left Glenapp they sat at the Treasury in London from 10 till 7, and often later. The Treasury was very good to them, and they had half an hour for a frugal lunch, which was supplied to them.

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They felt extremely grateful, and after they had finished their work and had sent in their report an incident occurred which led them to think that economy had really begun. They each received a bill for their luncheons, which they paid without a murmur!

Nations and Economic Sins

PROSPERITY may overcome countries as well as individuals. A British official, writing about a country which may be anonymous for present purposes but lies at considerable distance from the United States, says, "While—is living on accumulated profits, her industries are dropping behind, her markets are going, and the increase in the cost of living is so great, the want of thrift so persistent, that only a very serious crisis can bring all classes back to their senses, by which time—will have lost a great deal of the headway she had made in industry and commerce during the past decade."

The way of the economic transgressor is certainly hard.

Another philosophical statement made recently in official sources and with reference to a government in another part of the world referred to taxation and ran as follows: "With nations as with individuals the one infallible method of economic decay is to mistake capital for income."

A Man's Business Home Still His Castle

UNLIMITED POWER OF INQUISITION does not exist under our form of government. In the Constitution Congress is prohibited from violating the right to be secure in papers and effects against unreasonable searches and seizures.

That Congress did not mean to contravene this constitutional provision when it passed the Federal Trade Commission Act was the position taken in October by the Federal District Court at New York. The Commission had asked the court to compel tobacco manufacturers to produce all of their correspondence with jobbers. The court refused the request. So far as such correspondence related to intrastate business the court said the Commission could not obtain access to it, because federal authority cannot extend to such commerce. As for all the correspondence relating to interstate transactions, the court said it would be violating the Constitutional provision if it took the course the Commission asked, for it would be permitting an unreasonable search and seizure of papers.

It did not help matters, in the court's opinion, that the Commission was undertaking to act under a resolution of the Senate. The court said that the law authorized the Commission to proceed under a resolution of either House of Congress only if the resolution alleged a violation of the anti-trust laws. In this instance, the resolution merely asked an investigation of the tobacco situation, market prices to producers, etc., and alleged no wrongdoing. If this case goes to the Supreme Court, and the result in the lower court is affirmed, the Senate may decrease the number of roving commissions to investigate it has in recent years sent to the Trade Commission.

The Right of Self Protection

HOW FAR may members of a trade or industry band together to protect themselves? This question is asked of the courts in a proceeding instituted on November 8 by the Department of Justice under the Sherman Act, affecting the members of an association of fur dressers and dyers. The government alleges it is illegal for the members to follow the rules of the association which provide that only cash sales are to be made, and no credit is to be extended, to persons who have failed to pay their bills arising on earlier transactions. Another feature of the rules, the government says, was a requirement that each member should deposit \$500, to be

forfeited if he made a sale on credit to any person when the association had indicated that all sales should be for cash. This case may raise interesting questions as to how far members of an industry can act jointly for their protection against predatory attacks. Presumably, if they beat off a gang of bandits that flourished revolvers and blackjacks they would not be violating the law against restraints of trade. People who buy merchandise with no intention to pay for it but to escape through fraudulent bankruptcy and that sort of thing are just as predatory as any other variety of bandit who acts on the theory that the world owes him a living which he is free to collect by force or fraud. Perhaps the decision will disclose something about the extent to which the law-abiding may act for their self-protection.

Declare Peace on War Excise Taxes

WAR EXCISE TAXES on some manufacturers are still with us, and continue to give rise to the usual crop of difficulties. The Bureau of Internal Revenue has recently been wrestling anew with the old question about the dividing line between taxable parts for automobiles and those which bear no tax, and has arrived at the conclusion that a side curtain is taxable but a back curtain is free from tax.

Luckily for the reputation of Solomon, he reigned and dispensed wisdom before the automobile became a commonplace in everyday life and before the tax gatherer had learned to sally forth from the seat of customs. Otherwise, Solomon might have lost his reputation in trying to explain the taxable status of side curtains and back curtains. There is an explanation, however, and it is put down in black and white by the Bureau of Internal Revenue. It is to the effect that difficulty of attachment is the test. As a side curtain can be attached by an ordinary garage man or the user of a car, whereas a back curtain is to be got into place only by a specialist, the former is subjected to tax and the latter is not!

All of this goes to point the moral that peace has now been officially and in fact with us long enough for the slate to be wiped clean of all excise taxes imposed for purposes of war revenue upon manufacturers.

Government Bumps into Economics

MARK STABILIZATION, or at least restraint upon the downward course of the mark, was attempted by sudden legislative action in Germany on October 14. As holding marks even for a day was entailing a loss upon the German who took them as payment in a domestic transaction, everybody who found marks in his hands made haste to use them to buy foreign currencies—dollars, pounds sterling, Dutch florins, Swiss francs, and any other money that would not undergo disconcerting fluctuations over night.

This general selling of marks, even in connection with internal commerce, violently accelerated the mark's downward course. Suddenly the government issued a decree imposing criminal penalties of fine and long imprisonment for anyone who asks or offers a foreign currency in settlement of a debt contracted in an internal transaction, and for bankers who sell foreign currencies except to persons showing licenses to buy such money for use in foreign trade.

Austria tried a similar expedient, without result. It is futile for a government to ordain that people are to keep in their pockets a form of money they do not trust.

The State, Telephones, and Service

IT IS POSSIBLE to state the arguments against Government operation of private industry persuasively and at great length. But few arguments are more convincing than results. We quote from a recent dispatch from Paris:

Moved to action by numberless complaints against what is without doubt the worst telephone service in any civilized country, the Chamber of Deputies last Spring named a commission headed by

Deputy Jean Lambert to make recommendations for the improvement of the French system.

The report just submitted to the Chamber recommends that the State turn the telephones over to a private company. This is significant in view of the recent decision of the French Government to go out of the railroad business and indicates a general trend away from State operation of utilities as inefficient and uneconomical.

The report is based on investigations in the United States, Sweden and Norway. The recommendation is that a system be adopted like that in the United States, operated by private companies under Government supervision.

Thus France arrives at a conclusion long advocated in this country as essentially sound: That Government ownership of industry is costly and bungling; but that Government regulation of public utilities works for the public good.

Free as Air? The Courts Will Say

THE AIR IS FREE, however much the rest of our environment may be in the possession of other folk, is a long-time consoling thought that may now be denied to us. At any rate, an American citizen has become so depressed in his mind that he has entered court and declared that even the atmosphere and all of its contents and component parts have passed into the hands of conspirators who violate the Sherman Act by hogging all of the 25,000 ether-wave lengths available to his broadcasting station.

The Rail Injunction and Free Speech

THE RAILROAD INJUNCTION, as the injunction against the federated shop crafts may be described for purposes of brevity rather than of accuracy, has had the attention of the Journal of the American Bar Association. The case is not yet at an end, but the Journal thinks that there has been so much misapprehension as to the preliminary injunction granted in Chicago upon petition of the Department of Justice that it is warranted in analyzing the case editorially. Its conclusion is:

"It is loose talk and loose thinking to say that this was an injunction against strikes, and free speech and free press. It was none of these. It was an injunction against interference with commerce, against combinations and conspiracies in restraint of trade and against interference with railroad operation as agencies of commerce and trade. The incidental prohibition of strikes and of persuasion,—argument and newspaper propaganda in furtherance of such conspiracy,—does not mean that these measures effectively used to accomplish the unlawful purpose would be unlawful when not employed for such a purpose."

To Pierce Sahara's Heart

AN AMERICAN was first in traversing successfully the wintry wastes to the North Pole. The French purpose to be first to brave eight hundred miles of hot sands which are the core of Sahara, and which have never been trodden by the white man. Trains of armored automobiles, somewhat resembling "tanks," will set forth simultaneously from the north and south borders of that mysterious and forbidding zone; and the crews which man them will undertake to report on all they find therein.

Restless and resistless, the modern spirit casts about continually for new objects of conquest; and in the effort man is aided to an extent not often realized by the achievements of modern industry. Would such an expedition be possible, amid fierce and hostile tribes, with none but camel caravans? The fact that it has never been so undertaken would seem to be sufficient answer. The automobile, which has been developed primarily as an accessory to commerce, and developed because huge aggregations of capital have been put back of it, is necessary for the expedition. Practically all our vast strides in the subjugation of physical forces have been made, in the earth and on its surface and in the air, since the industrial revolution began.

A Business View of Europe's Debt

By JULIUS H. BARNES

President, Chamber of Commerce of the United States

AMERICA entered the war for no selfish purpose, and in the terms of settlement desired no benefit and received no gain. America is capable of acting with the highest idealism, but it is so capable only when acting from profound and solemn conviction. There are, therefore, it seems to me, some realities that have not been adequately stressed in the discussion of a proper treatment of allied debts. The realities are these:

1. These debts are due to the Government of the United States.
2. That government is a representative government controlled by public opinion.

3. An effective public opinion in favor of reduction or remission must be created on one of two grounds:

(a) Either the justification of economics as being in the self-interest of our people; or

(b) A justification on moral grounds as being an act of generous treatment due to those formerly associated with us in a great world war.

It is clear today that there is no general public conviction on either of these grounds, and it is well to examine briefly why this is so, and whether a public conviction will yet be crystallized on one ground or the other.

On the ground of economics, the American people have been told for three years that their own prosperity depended upon the markets of a restored Europe and that these would be impossible to restore without the elimination of this international financial menace. This is probably ultimately true, but, so far, the evidence of actual trade development has not sustained this contention. Judged by all the measures of a prosperous industry, by aggregate car loadings, by steel production, by operating output of typical industries such as the automobile section, by market strength in prices of stocks and bonds, by the figures of total savings accounts and their rate of increase—by all these measures, America is today possessed at home of a substantial prosperity. Within the short space of a single year, from a condition of four million unemployed, American has merged to a condition of full employment.

This present era of prosperous trade at home may be a present-time accident, but it is, today, the visible evidence that our industries are not languishing under the weight of an allied debt, the readjustment of which Congress has by resolution limited to definite limits of time and terms. Therefore, on the ground of economics alone, the present condition of American industry is not such as to crystallize at this time a public opinion favorable to their remission.

As to the moral ground, the difficulties are today even more real. There is a background in our short national history which must be understood before one can properly

value the influences which crystallize into the profound moral convictions of a people. Remember that the foundation of this republic was laid by the ambition and aspiration of people profoundly dissatisfied with the Old World opportunities for advancement, or profoundly distrustful of the social and political structure under which they had formerly lived. Remember that in this New World they established a government under a new

individual effort and individual productivity.

America has a profound conviction that, whether a people are to rebuild their living standards from the wreck which follows war, or whether a people are to hold high the advanced standard of common comfort and convenience already secured, the sole means by which these are achieved is in preserving and stimulating the individual efforts of its people.

America holds that its most precious heritage is the philosophy of individualism which esteems a constituted government to be justified chiefly as the agency established by common consent primarily for the preservation of fair play between individuals, so that each individual may himself, by his own effort and ability, create his own niche in the social structure.

America conceives that the prime obligation of government is to preserve to the individual the reward of superior effort or superior ability apportioned to him through the natural processes of trade, and therefore apportioned more fairly by society itself than would be possible through the arbitrary action of any men or body of men placed in temporary authority.

America also believes that the prime obligation of government is to maintain an honest standard of value. On that

standard of values rests the processes of industry which must buy one month the raw material which, weeks or months later, in its finished form, must be offered for sale measured in the same monetary standard, and industry will perish if it must add to the natural hazards of conversion and merchandising, also the risk of a currency fluctuation, particularly a depreciating one.

America realizes that in terms of the monetary denomination of a government is written the savings accounts, the result of thrift and self-denial of its people; life insurance, the result of sacrifice for the provision of after-death dependents, and America realizes therefore that a deliberately depreciated currency is a dishonest and immoral process which wrecks the industry of a country and destroys the individual incentive to effort and to thrift.

I lay great stress upon these convictions as being the conscious or unconscious standard by which will be measured the efforts of Europe for its own restoration. Consciously or unconsciously, these standards will be applied to indicate whether, in government or in industry, the policies of Europe show a full measure of honest effort or carry any promise of ultimate success.

When we weigh the course of European governments since the armistice, we find that, in the policies of government and in the conduct of industry, violence is done to these most profound convictions of our people.

America is puzzled and bewildered when,

THE Allied Debts present today one of our most perplexing national problems. The subject is one in which the business man as well as the statesman is deeply concerned, because the ultimate policy decided on by the United States Government will have far-reaching effects economically and politically. For that reason *THE NATION'S BUSINESS* is presenting here the viewpoint of Julius H. Barnes. Although he is president of the Chamber of Commerce of the United States, Mr. Barnes voices his own, not the Chamber's sentiments.

"For no man," he writes, "can presume to express the definite conviction of organized American business with respect to the Allied Debts. American opinion has not yet crystallized into definite conviction. In the ranks of organized business enrolled under the leadership of the Chamber of Commerce of the United States there is as yet only one clearly unanimous conviction, and that is, a complete accord in the desire to frame a solution with great sympathy, as well as wisdom.

social and political ideal which may be described as the Philosophy of Individualism. The founders of this republic fled from autocratic forms of government against which their self-reliance and strong individualism rebelled. Everything in our national history confirms the wisdom of the new social and political philosophy which they established, and which we have maintained.

In a short century and a half the republic has developed its natural resources, until its wealth could dominate the finance of the world, and has demonstrated in common use a standard of living for its citizens which is the marvel of the world. Its freedom from rigid casts and age-old tradition has produced a people so responsive especially to new invention and so eagerly welcoming to the achievements of science, that the productivity of its people per unit of population, in agriculture and in industry, is equalled nowhere in the world. It has taken the leadership in the development of new industries such as the automobile and motion-picture, the electrical and chemical industries, until these fields, unknown a generation ago, today provide employment and opportunity for twenty million of our people.

America has a profound conviction that not only the spectacular fortunes of the leaders of industry but the individual content and happiness that spring from the limitless opportunities and employment of prosperous industry rest solely on a social structure which preserves the incentive to

in Europe, where is most needed the profound understanding of individual human impulse and a sturdy stimulation of that impulse in the interest of aggregate recovery, there is shown apparently the most reckless yielding to expediency in measures which our whole national experience tells us lead to suspended or delayed recovery, or even to utter social demoralization.

Payments from national treasuries of unemployment doles that put a premium on idleness and non-productivity, carry no appeals to American common-sense, even with full knowledge of the difficulties which the re-absorption of released armies may present.

Factories turned over with the consent of government against the will of the owners to rebellious workmen, for a fantastic experiment that ends inevitably in failure, carries no conviction to our people as a proper function of constituted authority that must preserve in absolute equality every man's right to life and to property.

International trade agreements with Russia, made with the color of an effort to precede the entrance of our own people into trade relations, affront our own policy based on a national conviction that trade cannot exist without both production and just laws, and that Russia's policy of communism has destroyed production and violated sacred human rights.

Trade barriers erected by national animosities at new frontiers, which check the flow of goods and of transport equipment along long established channels of trade, seem to us to be so fraught with the destruction of commerce, on which employment must rest, that our confidence is lessened in governments which create and maintain these barriers.

Governments dominated by political groups frankly devoted to the interests of minor sections of their people convey no promise to us of broad, sound, national policies.

Labor parties, permanently in politics, speak to us of the acceptance of a rigid-caste social structure, that implies a closed door to opportunity and advancement, which violates a fundamental tenet of our own social convictions.

Streams of emission of paper tokens which are a government's promise to pay, issued without maturity date and without provision for redemption, or indeed without intention to redeem, seem to us the height of destructive immorality of government.

Public services assumed by governments, such as transportation, telegraph and telephone, and others, the field of which in America is recognized as functioning best under private ownership and private operation, loaded with armies of dependents, income and outgo disregarded, and the national deficits thus created met by further emission of dishonest paper inflation, carry no assurances of ultimate solvency.

National budgets unbalanced with large expenditures for non-productive armaments which offend both our business sense and moral sense are difficult to justify to us as a necessity in the collection of reparations, when other methods are successively rejected.

America subscribes without reservation to the principle that Germany must pay in reparations the last dollar which the productivity of her people can create, but our business sense, and our common sense, tell us that the problems of reparation, the ascertaining of what the uttermost limit of payment by Germany may be, up to the point of utterly crushing her industry, and therefore her means of payment, is a problem for men trained in the economics of large busi-

ness and not solely for diplomats or politicians.

Yet when the problem is examined, as was done so hopefully a few short months ago by the leading business talent of the world, their effort is controlled, limited and frustrated by the will of men in political authority. Even France, heroic France, imperishably seated in the admiration of our people, has wounded America sorely the past few months. A world conference on naval disarmament, which accomplished much, and promised more in hopefulness for similar treatment for the larger land armament problem, receives a grudging assent to a treaty yet unratified by its assembly.

Shock after shock to the processes of overseas trade and international finance follow repeated crises in the relation between the two great allies. A great moral conviction of our people that the Turk belongs not in Europe is profoundly shocked by the demonstration that the restoration of the Turk's foothold in Europe is largely due to France's encouragement today.

Great Britain's Case Differs

AS TO Great Britain and its debt to the United States, this requires to be separately discussed. Our people see their own commerce carried largely in British ships, operated probably with superior efficiency to our own, but laying, nevertheless, a trade toll upon the foreign commerce of our people. They see British finance predominant everywhere in the world, and probably rightly so, out of the financial sanity and the long experience of a great trading nation. They see the far-flung British federation of colonies with resources equal to our own. They know the British ideals of the relation of government and industry so nearly resemble our own in stimulating individual effort that there is every promise of the quick productivity of their people. They rate, then, Great Britain as ultimately able to meet the obligations of the empire, no matter how stupendous those sums may be.

A remission of any portion of the British debt would find slight consideration in America, even if the sturdy self-respect of that competent people would permit them to accept any such consideration at our hands.

But when, by mutual negotiation, the British portion of the allied debt is put in definite form; when in respect to the other less fortunate countries of Europe the positions of England and America may be almost identical in interest, then will come the test whether public opinion of America, which will govern its legislative bodies and its administrative officials, may be crystallized for a different treatment of the other allied obligations. It is no kindness to fail to develop clearly the realities which must be faced in considering the influences which create and mould that controlling public opinion in this country. The men who have spoken for a revision and a reduction of the allied debts due this country have been largely men of great ability and high character. Their views must be weighed with great and careful consideration. International banking implies character and ability, and not solely a selfish interest, and therefore international banking should speak on this subject with special authority.

The sincere expressions of men of ability will have a distinct influence in the formulation of public opinion which, after all, will govern the national treatment of these national obligations.

If allied debts are to be reduced or remitted because their payment would be disastrous to our own industry, then it would seem

regrettable that the conviction of America can only be secured by waiting the demonstration of a disorganized industry.

If allied debts are to be reduced or remitted as an act of moral obligation, then the sincerest friendship is to point out the basis on which the moral convictions of our people can be crystallized. We have no right to impose our ideas of an industrial or social or political structure upon other peoples with other ideals and convictions, but no conviction in America will support a remission in sheer national generosity unless it is based on a demonstration that the proceeds of that generosity will not be wasted in inefficiency and extravagance or in social experimentation, which we know to be destructive of a people's productive impulse.

A definite program leading to ultimate restoration in Europe, by steps which appeal to America as reasoned and probably effective, will find certain sure foundations in America.

1. Our business sense will tell us that a revived and prosperous Europe means an added measure of prosperity for our own people.

2. A firm and lasting admiration for the qualities of courage and endurance of these peoples of Europe, and an American idealism which may not fail to extend assistance to peoples making an effort to accomplish a restoration manifestly beyond their attainment, unassisted.

On these foundations and behind such a progress promising successful restoration, public opinion in America can crystallize rapidly into action. It seems worthy of serious consideration by those who believe a recasting of allied obligations should be considered either on economic or moral grounds, whether more effective aid could not be rendered in the area of interest and redemption terms, rather than reduction of principal. It will need a convincing story, indeed, to overcome the fundamental conviction of Americans that the principal of an obligation should be scrupulously respected and far less difficult to crystallize the fullest consideration, perhaps even to the entire remission of interest and the most generous deferred terms of principal installments.

Back to the Courts on Futures

THE GRAIN FUTURES ACT, which undertakes a degree of regulation of grain exchanges, is apparently not yet out of the woods. When it first went through Congress it came to grief in the Supreme Court, which held that there was an attempt to use the federal taxing power beyond the constitutional possibilities.

As reenacted in September of this year, the text was changed to rest the authority exercised by Congress upon the power over interstate commerce rather than upon the taxing power. In the new form, the law was to be enforced as from November 1. On that date only four of the eleven grain exchanges had asked the Secretary of Agriculture to designate them as "contract markets" under the law, the exchange at Toledo had announced it would cease operation, four exchanges had taken no action looking toward operation under the terms of the law, and two had obtained injunctions restraining its enforcement against them until they could be heard in court as to its constitutionality.

Events would therefore seem to be shaping themselves to produce another discussion by the Supreme Court regarding the scope of the power of Congress to regulate under the interstate commerce clause of the constitution.

On Selling Everybody's Business

By GEORGE H. CARTER

Public Printer of the United States

THE FEDERAL GOVERNMENT spent on printing, through the Government Printing Office alone, during the last ten years more than \$100,000,000. While there has been a considerable drop from the peak reached during the war, there is little hope of the Government's expenditures on printing ever again being much less than \$10,000,000 a year.

This makes our Government the largest printer in the world. But it is a great deal more than a mere printer, and its principal printing agency, the Government Printing Office, is considerably more than a gigantic job shop for taking care of the stationary needs of Congress and the departments. In fact the Government Printing Office takes on the all-round character of a publishing concern. From it are issued many volumes that partake of the "best seller" classification and numerous publications of the newspaper or magazine type. And it conducts the most unique book store, and in numerical quantity, if not variety of contents, the largest in America if not the world.

Its publishing and distributing activities, though immense, are, as in the case of private activities along those lines, merely supplementary to activities of far more essential importance. It isn't creative, but rather the agency through which the creative activities of the Government find outlet to the public which supplies funds for carrying them on. The bulk of its work has to do with publishing for the various bureaus and departments, principally those of a research character which produce information of a more or less practical value to the public. The Government's research activities now cost something like \$100,000,000 a year. Few prospective beneficiaries can keep in direct touch with those activities, and the specialists who carry them on can deal only in limited measure directly with the public. The bulk of their output issues in the form of printed matter which is prepared and, to a large extent, distributed by the Government Printing Office. Thus benefits derived from the vast amount of public funds invested in general research carried on by Federal Government agencies are measured largely by the degree of fully effective distribution given to such printed matter as, say, the bulletins and publications of the Departments of Commerce, of the Interior or of Agriculture.

This involves a very big problem, essentially a business problem, for which the Government has been endeavoring to find a solution for nearly a century. Modern salesmanship may eventually prove to be the solution of the problem. There are many government officials who today believe that the Government, as a publisher, should advertise its information wares in the same manner as an enterprising private publishing concern. The adoption of such a business plan would give the government publications the advantages to be derived from the commercial channels of sales distribution.

For despite the growing streams of public documents ever flowing through the mails, there is no question about the distribution of information developed or collected by Government agencies being far below the fully effective. Conversely, there is even less question about the tremendous volume

of waste involved in existing and conflicting methods of distribution.

With one hand Uncle Sam offers, with a liberality shown by no other Government in the world, most of his publications free to whoever wants them. Indeed, he forces millions of them on persons who do not want them, while at the same time withholding them from others who might make good use of them. With his other hand, Uncle Sam offers the same publications for sale. Though the prices are moderate, the operation, side by side, of two diametrically opposed systems of distribution necessarily conflict at many points. So long as the principle of the other is retained, it would be very difficult to perfect either of them.

I am inclined to doubt if, omitting all questions of economy, the Government can get anything like fully effective distribution of its research information by free circulation. Under that method there are no feasible means whereby those who want or need or will use any specific item can be selected with fair completeness, barring of course the exceptional case, such as an item that interests only a specialized few. The only way you might procure fully effective distribution would be by sending virtually everything published by the Government to everybody, an impossible proceeding. Even then, the indifference with which many look upon free matter, might cause, as no doubt is the case at present, a large number to scorn matter which, if it cost them something, they would find to be of great value.

Small Value in Free Goods

BUT when something is purchased, no matter how small the price, it takes on a peculiar dignity that doesn't attach to something acquired without cost. The public has great faith in the research branches of the Government. "Uncle Sam says it" is about the highest authority one can give on many subjects lying within research realms. Yet the public doesn't look on all the publications, issuing from those research establishments, with like faith and respect. May it not be due to the "cheapening" caused by miscellaneous and often utterly methodless free distribution?

That free distribution often merely skirts the entire field which might be covered is shown by experiences developed outside governmental channels. The Haskin Service, a Washington newspaper syndicate, by merely calling attention to certain ones, was instrumental in giving nearly 2,000,000 bulletins circulation in a single year. The Ladies' Home Journal, which undertook to run a department in which the attention of housekeepers, mothers, etc., was called to documentary matter of value to them which might be obtained free in Washington, aroused such a demand that the venture had to be abandoned when the initial supplies authorized by Congress for free distribution by governmental agencies had been exhausted.

Among the 70,000 different documents on sale at the office of the Superintendent of Documents I'll venture to say there are some that any person would gladly buy provided he or she knew they existed and how to procure them. Every day someone, by a letter or in person, expresses surprise over

locating some greatly needed bit of valuable information for sale there. In this connection, I might well cite one case in point. In the annual report of the American Historical Association for 1918, published by the Government Printing Office, the second volume, a book more than 800 pages, contains the complete Autobiography of Martin Van Buren, eighth President of the United States. Literary critics have termed this document one of the most valuable historical works published in America for many years. As a public document, this almost priceless contribution to the political history of our country had a very limited circulation until it was discovered by a book reviewer. Since then scores of newspapers and magazines have reviewed the book, and, as a result, thousands of copies have been sold at \$1.00 each. The demand is constantly increasing.

A listing of "live" publications originating in the Department of Commerce alone fills more than fifty pages of solid print. They touch upon almost every business, commercial and trade subject, as well as numerous scientific and general interest ones. The information given in them, as in those of other departments, usually is such that cannot be otherwise procured, or else the Government would not develop and distribute it.

It would be impossible in brief space to give even a fair glimpse of the vast amount of printed data which is for sale at the Office of Public Documents, or of the greater volume which, if demand justified it, might be for sale. All told there are on file or stored there nearly 3,000,000 documents, ranging from rare books, excellently printed, sometimes bringing premiums when offered for sale outside Government channels, to leaflets that are now of only cursory interest. The Superintendent of Documents now has authority to order the reprinting of any document when sales demand requires, including even those originating in Congress.

But that demand often is insufficient to justify the reprinting of valuable documents, all because of the lack of general knowledge of the existence of the documents.

Very few persons have any comprehension of the tremendous amount of information on all kinds of subjects which the Government has for distribution. And, I am inclined to think, that the only way a comprehension of it can be greatly extended is by the application of modern methods of salesmanship to its exploitation.

That such can be done is proved by what has been done in recent years. By merely setting up a sales counter on the first floor of the Office of Public Documents and by a few other improvisos we increased by many thousands the returns from the sales of documents. Until a year ago one going to the documents office in search of something had an arduous task. The building is on a remote side street and hard for one not familiar with the locality to find. The purchaser had to roam through a dingy and crowded first floor to a freight elevator and go on it to the sixth floor in order to make inquiry or procure a catalogue. Unless the purchaser needed the document very badly, the venture was not undertaken.

Anyone who cannot go there in person must write, as most purchasers do. Unless they



THIS is the du Pont Oval It is the trade-mark only of E. I. du Pont de Nemours & Company, and appears only on products made by E. I. du Pont de Nemours & Company.

You will find it on the labels of Paints, Varnishes, Enamels, Lacquers—a complete line of such products that beautify and protect your home, your factory, your car, your furniture, etc.

It identifies the lovely articles of Pyralin Toiletware that adorn your wife's dressing-table.

It is stamped upon the rolls of Fabrikoid that go to the country's great makers of automobiles and furniture, for upholstery to the makers of fine luggage and to the bookbinders and half a hundred other industries.

The textile mills, the leather plants and two score other manufacturing industries find the du Pont Oval on the containers of the Dyes they use.

It identifies the Explosives which release the ores needed by industry and fuel to keep you warm, which blast paths through mountain and forest for your roads, which clear and drain land for larger crops bringing food for your table at lower cost. On shotgun shells, it insures the safety and accuracy of your shooting.

And users of Pigments, Acids and Heavy Chemicals of many varieties, know this du Pont Oval as a mark of the highest quality.

* * *

The du Pont Oval appears on this varied, this seemingly unrelated family of products, because of the ability of du Pont Chemical Engineers, who have been able to utilize the chemical knowledge or the basic raw materials that we need in our prime industry the making of explosives in making these articles that the du Pont Company feels are of value and service in other industries and to the public.

In the future and now we can only glimpse it the du Pont Company hopes to contribute, as it has in the past, to the comfort, the security and the prosperity of the American home and American industry.



The Chemical Engineer is a strange mingling of abilities a coupling of the man of science with the manufacturing expert. He is a chemist who knows manufacturing as well as his science, and who can take the laboratory's discoveries on the experimental scale and put them into production on the larger scale of commerce. His province is the *practical* transformation of matter from useless to useful forms. And he has brought into the world's manufacturing plants a new knowledge, a new set of abilities, that has revolutionized industry in the past generation.

This is one of a series of advertisements published that the public may have a clearer understanding of E. I. du Pont de Nemours & Co. and its products.

E. I. DU PONT DE NEMOURS & COMPANY, Inc., Wilmington, Del.

TRADE  MARK

know what they want they must first make inquiry which usually can be answered with a catalogue. But real money or a postal money order has to be sent with the order for a sales document, unless one buys coupons now offered for sale and of which, I suspect, very few people who might use them know.

Succinctly, virtually all the initiative connected with making a sale of a document must be exercised by the purchaser. There is very little room for initiative by the sales agency.

Yet the Superintendent of Documents now takes in nearly \$400,000 a year from sales to the general public, largely of those things that are or at some time were distributed free.

The use to a fair degree of modern sales tactics could easily increase those sales to \$1,000,000 a year, even with the pall of free distribution hanging over them. With free distribution severely limited in all bureaus and departments, as now done by the Department of Commerce, the sales returns could be increased probably to several if not many millions of dollars. The Commerce Department, by limiting free distribution, outside of officials, to the press and trade organizations, doubled its sales within the last two or three years. Its gross distribution was cut down but its effective distribution no doubt was increased, with considerable saving in printing costs.

How would a publishing concern with only one distributing store fare in the commercial world? Yet that is all the Government, the biggest of all publishers, permits for the sales distribution of its printed products. It has been suggested that the postoffices might be utilized for direct sales or at least for order-taking, and something could probably be worked out in that direction. There seems to be no insurmountable obstacles in the way of using the commercial channels of book and mag-

azine distribution, though such is prevented now by law, which prohibits resale at a profit. There would be no objection, on the score of competition with private publishing operations, to putting Government publications in the book stores or on the newstands; for by their very nature they do not compete with commercial publications.

But the great essential is the distribution of information about the existence of this matter. Virtually all that has been available is that given voluntarily by newspapers and periodicals, but promoted in some instances by departmental and bureau publicity. The distributing agency, the Government Printing Office, is limited to the issuance of catalogues even in the matter of free publicity.

What it or someone should have is an advertising fund, provided by direct appropriation or created by a surcharge put upon documents that are sold. The former is probably better in that it is safer from political influences. It might be better for the advertising to be controlled by the departments or bureaus which originate the matter to be sold, but I am inclined to the view that it would be best for the control to be in the hands of the Superintendent of Documents, through which all sales must clear.

Advertising was attempted once on a very small scale—too small to prove anything for or against. The one risk, as in all Government ventures of the sort, is that it would be treated as political patronage and thereby not handled to best advantage. But that evil, should it arise, would quickly cure itself.

It is an anomaly for thousands, even millions, of Government documents that vivify researches made for the general good at a cost of millions of dollars, to be sent to persons who throw them away unread when they might be sold to others who would

make use of them as would add to the national well being. Yet that is what occurs, though undoubtedly a large part of free distribution is effective.

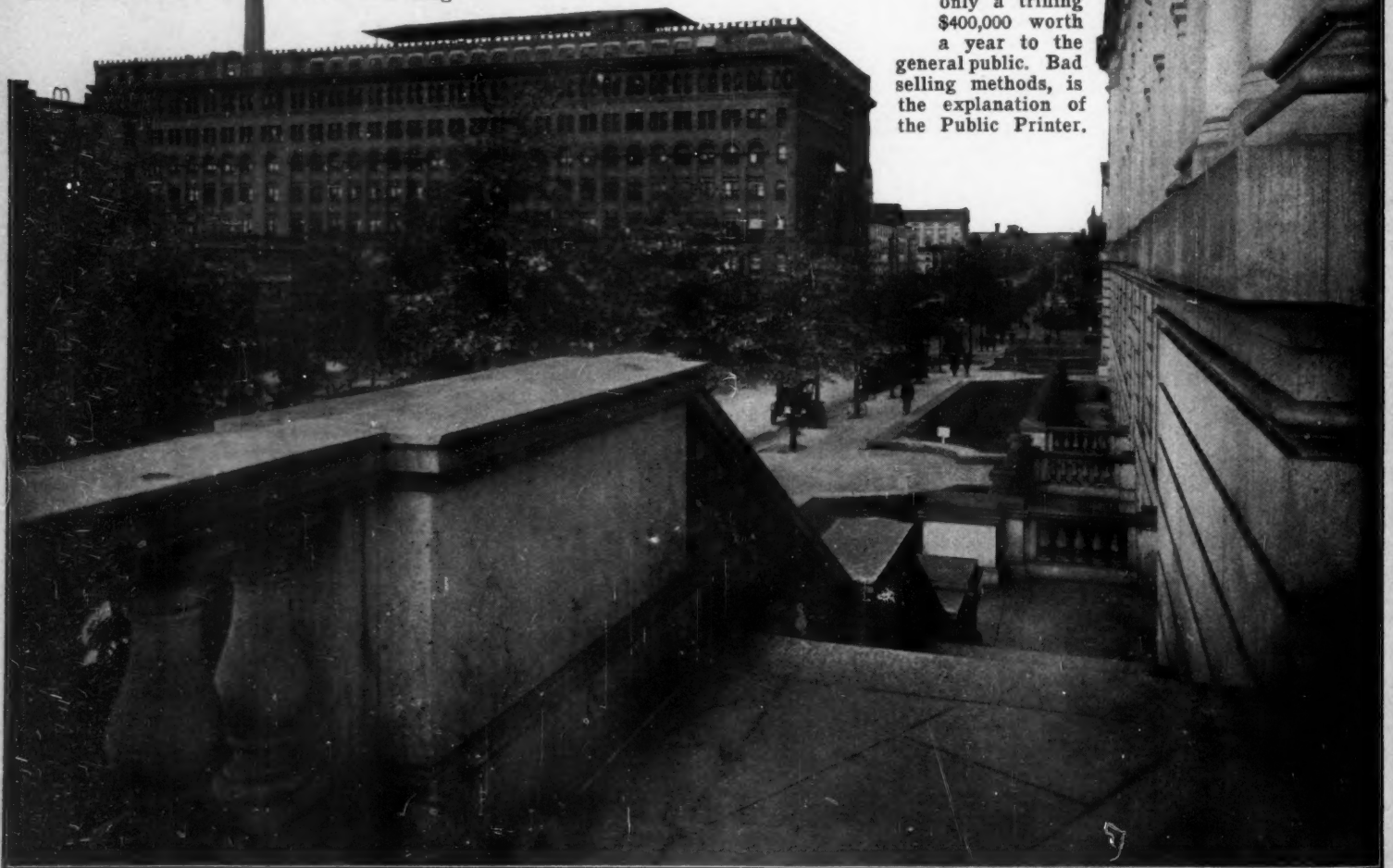
It frequently has happened that the Superintendent of Documents has been without sales stock of a document for which there was big sales demand when thousands of the same document were lying in or to the credit of some bureau which had been unable to give away all of its supply. It should be noted, however, that generally in such cases the stock has been surrendered to the sales agency.

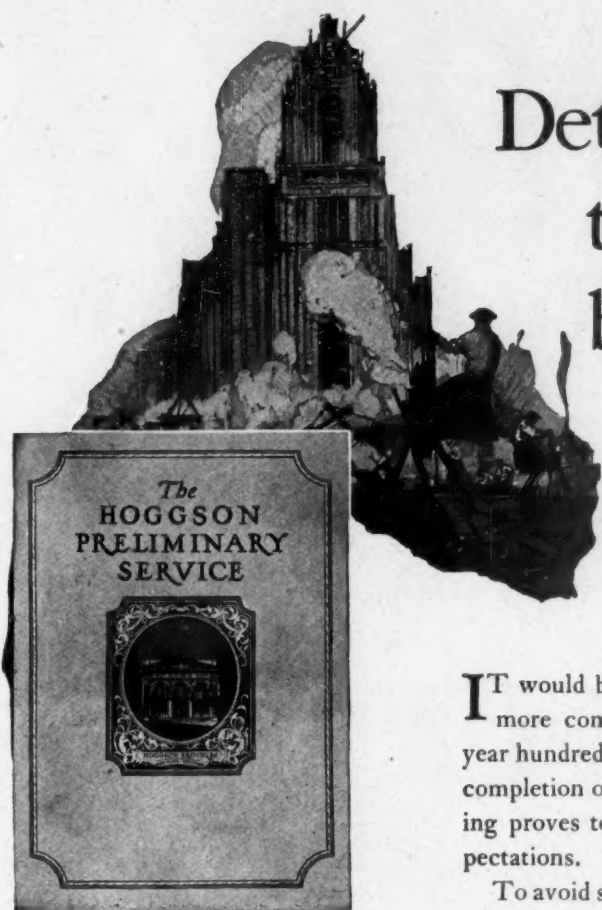
All other Governments, so far as I am aware, offer printed matter to the general public for sale only. Many, like Great Britain, let private stationers give it distribution on the same basis as they handle private publications.

While no other Government produces so much printed matter for public consumption, or secures such a large volume of distribution for what it does print, in some other lands the Government bulletin dealing with matters of everyday life and activity is treated with more general respect than in the United States. Yet on the whole ours are the best, and arise out of more extensive and costly researches, and are more carefully prepared and simply written, and cover a wider range of subjects.

But they don't yield the dividends that

In back is one of the Government's biggest factories — its printing office — which costs \$10,000,000 a year but sells only a trifling \$400,000 worth a year to the general public. Bad selling methods, is the explanation of the Public Printer.





The above is an illustration of a booklet which contains a reproduction of two examples of our preliminary service as prepared for an individual bank building and for a bank and office building. The drawings, illustrations of equipment and other information, as originally developed in the two instances, are presented in a manner which gives a comprehensive idea of the scope and value of the service. We should be glad to mail a copy of the booklet to those interested.

Determine the final cost before you build

*A preliminary service which
eliminates the greatest uncer-
tainty in commercial building*

IT would be difficult to find an experience in commercial building more common than disappointment over final cost. Year after year hundreds of building projects continue to be abandoned after the completion of expensive working drawings and building after building proves to be a poor investment because final cost exceeded expectations.

To avoid such disappointment and make it possible to plan a building on a business basis, we offer a preliminary service which develops suitable designs and determines in advance the final cost of the building project. This service does not require the expense of working drawings and specifications. Its practical value and dependability are due to the fact that our organization includes an architectural division, a purchasing division and a construction division so that each project is studied in close collaboration by the designers, by the estimators, by those who must buy the materials at a specified cost, and by the division which must carry out the actual construction.

For those who plan to build we recommend this service as a certain means of avoiding the liability of uncertain cost. It is sure to disclose what would be a poor investment or to make the most of an opportunity for a good one. We shall be pleased to answer requests for further particulars from those who are interested in the design and construction of bank buildings and office buildings.

HOGGSON BROTHERS

Building Construction

NEW YORK

CHICAGO

Bank and Office Buildings Designed and Constructed

they might, not because enough of them are not distributed but rather because of faulty methods of circulation that can be corrected. And correction will come, I believe, through continued extension of sales and the curbing and probably ultimate elimination of free circulation.

The venture need not entail any additional drain on the Treasury. Even if the traffic were not made to bear this additional burden of cost, it would be offset by printing economies which would result. For such inevitably follow the accentuation of sales over

free distribution. One Government periodical which had a miscellaneous free distribution of 23,000 dropped to 5,000 general circulation when put upon a strictly sales basis. But it is more effective now than when more widely circulated on the free basis.

The problem doesn't involve the matter of profits or money earnings on the Government's printed matter. Already the sales prices include only the cost of paper, press work and binding, plus 10 per cent. This is a good rule, by which sales take care of themselves. The great desideratum is to get

greater effective distribution of the information turned out from the research establishments maintained by the Government, and thus larger and more widely distributed dividends from the large investments in those establishments. A secondary but important desideratum is printing economy. No matter how well managed government printing may be, there always will be exorbitant waste so long as there is extravagance in the distribution of the printed product. And there will be great waste in distribution insofar as unrestrained free circulation is permitted.

A College Half Study Half Work

By ARTHUR E. MORGAN

President of Antioch College

SCARCELY one in forty of the persons who endeavor to establish themselves in business succeeds financially, and at the same time keeps his health unimpaired, maintains a successful home, and wins the respect of his fellow-citizens because of the service he has rendered to his business or his community. Why is that proportion so small? What effective means can be taken to make it larger? Of those who endeavor to enter business, is only one in forty to succeed, and are all the others foreordained to failure; or is it possible that with better preparation the proportion to win all round success can be increased to one in twenty, or even to one in ten?

When we examine failures we find that a specific weakness rather than general lack of ability is frequently the underlying cause. A man has a good business but through failure to analyze costs he sells at a loss; or he is at odds with his labor, and gets but little for the wages he pays; or his product becomes obsolete through his failure to study the trend of public taste; or competitors take his trade because he continues to use primitive manufacturing processes.

If a person is fundamentally lacking in intelligence and character, those defects will express themselves in poor judgment at nearly every turn, and the only salvation for such a man is to protect him from getting beyond his depth. But given reasonable intelligence, character, and personality in a man, then a thorough knowledge of the chief factors that enter into business judgment; a clear, definite understanding of his own qualities, powers and limitations; and an appreciation of the other conditions beside financial success which make life worth while; will go far toward helping him to make full use of his opportunities and to avoid fatal errors.

Is it possible in a school or college so to prepare men and women that their probability of all round success is materially increased? We at Antioch believe it is. At Yellow Springs, Ohio, in the industrial district of Dayton, Columbus and Springfield, the undertaking is actually under way, to train men and women for business responsibility.

At the suggestion of training business men there is a general shaking of heads. "It can't be done." "A person gets business

judgment from experience, and not from books." "Pedagogs can't teach business, because they do not know business."

Now it happens that Antioch is in the hands of men who have had just such doubts, and just such disappointments. It is because people do have to develop business judgment and responsibility by experience, and because

tions are not used. The applicant is judged by his school record, his intelligence ratings, his record at work, his physical condition and by every evidence of character.

When he is accepted and becomes a student, his test has only begun. For half of his time he goes to school. If he has not sufficient ability to make good in his classes, he drops out. For half the time he works at a real job in an industrial, commercial, or professional position. If he cannot make good in industry also he must drop out.

Then he is considered from the standpoint of personal character. If he is not decent and straightforward, if he cannot be trusted with responsibility, he is not of the Antioch breed, and must leave. Of those who remain, only a part are fitted by personality and temperament for proprietorship. Some ought to be technical specialists or occupy salaried positions. Great effort is made to know the student thoroughly, and to help him to know himself. Finally, an effort is made to help those who seem to be fitted for administration and proprietorship to find the particular type of undertakings for which they are suited, and especially to help them to understand for what types of activity they are most unsuited. Thus in the original selection there is much elimination of persons who would not succeed if they should enter industry as independent proprietors.

Antioch is a co-educational college and the same care is therefore exercised to have the training of the girls fit them for the places women must fill in the world of today. Some women desire the same type of training as is given to men students, but to a larger extent their interests run to home management. In the home the woman is manager and proprietor. She spends the income and runs the house. A course in

management, related particularly to the home, combined with a liberal education, will go far toward making the family income effective and the family influence upbuilding.

Most business men spend less than half of their waking hours making money. The rest of the day is spent in profiting by the income. The difference between men of fine quality and men of coarse quality is not the amount of money they spend, but the amount of value they get out of it.

The Antioch student, regardless of the

Introducing Antioch By HENRY S. DENNISON

ABUSINESS already established which can nevertheless attract and hold able young men has a preferred claim that its success shall run into the future. Our country has passed out of its first youth. More and more in its commerce and industry will trained abilities run against trained abilities.

Antioch is of importance to all business men who hope to see steady progress made—by their own concerns, and by the whole country—in that handling of men and affairs we call Business Management. It offers experience to train the practical sense—cultural studies to give sweep to the imagination, and closely combines them to give a feeling of reality, significance and aim to the college years. The experience it offers is real, not artificial, and includes contact with men at work, at study, at rest and at play; its cultural education must widen the appreciation of the wonders of nature, the history of man and the glories of art, but can spare no time for ornamental knowledge for display purposes only.

That college education should be so widely regarded among business men as so absolutely necessary and so wholly unsatisfactory gives promise of rich rewards in honor to whomsoever solves the problem. Antioch is a leading candidate for this honor.

men of business can best teach business, that an effort has been made to develop a school to meet these conditions.

How does one go about such an undertaking? First by the elimination from the student body of those who are clearly unfit. It takes a reasonable degree of intelligence to promise success in any position of responsibility. At Antioch applications are so numerous that not all good material can be accepted and a large degree of selection is possible. Formal college entrance examina-

Get Better Service from Your Trucks

Install a Bowser gasoline pump and settle on one grade of gasoline for your trucks.

A Bowser removes all moisture and dirt from the gasoline as it passes into the car. This insures most mileage and less carburetor and carbon-caused engine trouble.

The Bowser provides further economies too by enabling you to buy gasoline at wholesale prices.

Booklet A-44 tells how to make your truck service more dependable. Get it at once.

S. F. BOWSER & CO., Inc.

Pump and Tank Headquarters

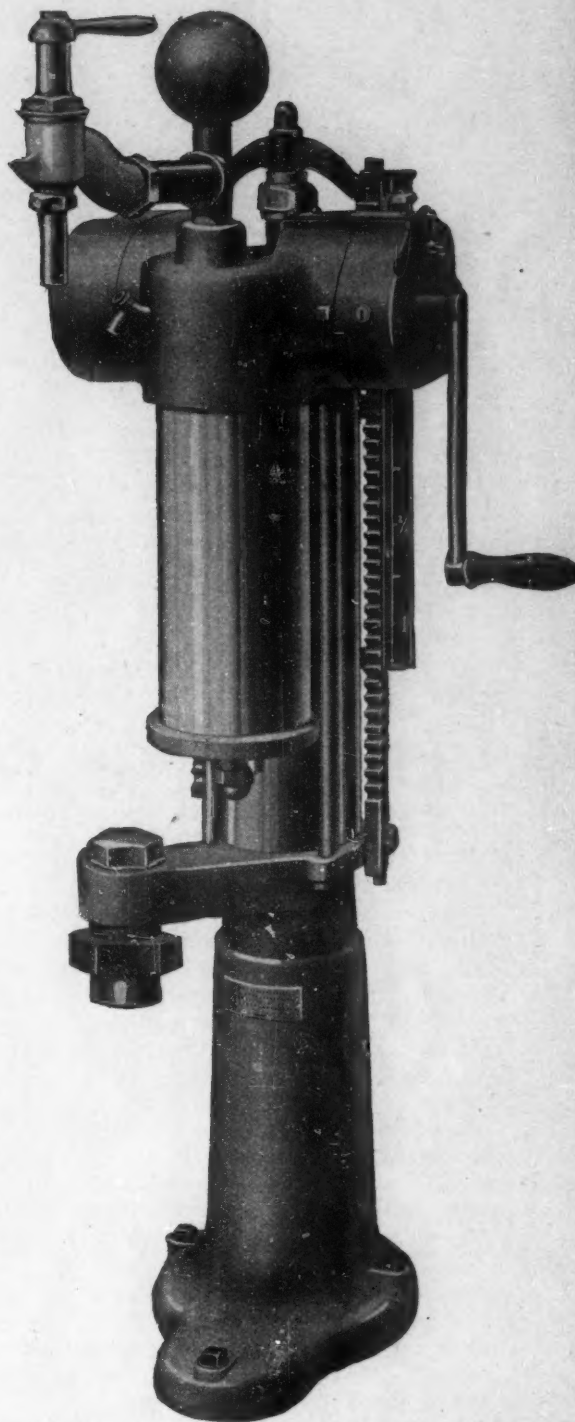
Home Plant: Fort Wayne, Indiana

Canadian Plant: Toronto, Ontario

Factories and Warehouses: Albany, Dallas, Milwaukee, San Francisco, Sydney
District and Sales Offices: Albany, Atlanta, Baltimore, Boston, Buffalo, Chicago, Cleveland, Columbus, Dallas, Denver, Detroit, Kansas City, Los Angeles, Minneapolis, New York, Oklahoma City, Philadelphia, Pittsburgh, Portland, St. Louis, San Francisco, Toronto, Washington.
 Representatives Everywhere.

Branch Offices with Service Departments in Principal Cities in this Country and Abroad

BOWSER
 ESTABLISHED 1895
 ACCURATE MEASURING PUMPS



Bowser Products

For Handling Gasoline and Oils Wherever Sold or Used

Filling Station Pumps and Tanks for Gasoline.

Storage and Measuring Outfits for Paint Oils, Kerosene and Lubricating Oils.

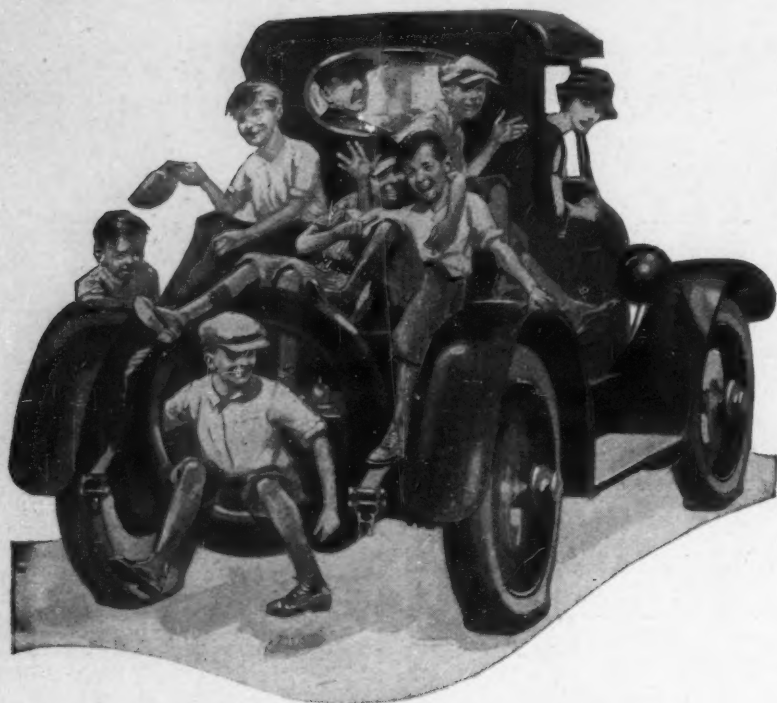
Portable Tanks for Gasoline and Oil. Power Pumps.

Dry Cleaners' Underground Naptha Clarifying Systems.

Carload Oil Storage Tanks.

Richardson-Phenix Oil Circulating and Filtering Systems and Force Feed Lubricators.

This is "Lubricating the Wheels of Industry"—No. 7



Under-inflation is the same as extra weight

Not enough air in your tires is equivalent to a heavier car

If your tires are not fully inflated, the weight of the car presses down the side walls.

If you drive with not enough air, it is the same as if your car were much heavier than it is.

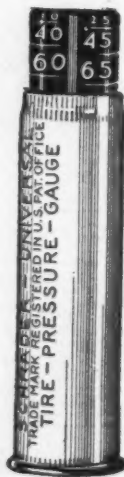
The tires flex and bend as they roll over the road. The side walls are depressed too much, and every bump puts strain on the fabric or cords.

Be sure your tires are properly inflated at all times. Own a Schrader Tire Pressure Gauge and use it. That is better and more economical than guessing about air.

The Schrader Universal Tire Pressure Gauge tells you instantly and accurately the air pressure in your tires. It tells you when you need air and when you are putting in too much.

The Schrader Gauge is an accurate gauge, especially accurate because it is used in connection with Schrader Valve Insides and Schrader Universal Valves, which are standard equipment on every make of pneumatic tires in the United States and Canada.

It will last for years. Sold by garages, hardware stores and motor accessory shops. Price \$1.25 (in Canada \$1.50). A special type for trucks and wire wheels is \$1.75 (in Canada \$2.00).



A. SCHRADER'S SON, Inc., Brooklyn, New York
Chicago Toronto London

*Manufacturers of Schrader Valve Insides and Valve Caps,
Packed in Metal Boxes of Five Each*

SCHRADER

TIRE-PRESSURE-GAUGE

calling he is to follow, must get the fundamentals of a liberal education. He must master the underlying principles of the natural sciences, he must have an acquaintance with literature, history, economics and sociology. He must learn how to keep his body in fit condition. He must prepare for his calling. If he is fitted for administration or proprietorship, the part of his school work aims to acquaint him with the chief elements of business operations.

He has a course in Cost Keeping and Accounting, given by practical men who are engaged part of their time in practical accounting work. His courses in Personnel Administration are given by men of many years' practical experience in labor management. Similarly he studies Industrial Organization, Traffic and Distribution, Purchasing, Publicity, and Industrial Research.

But college training alone never makes a business man. The decisions of the business administrator take account of many conditions which are never learned in class or described in text books. Only by actual experience can these elements of judgment be developed. So Antioch students spend half time at industrial, commercial or professional work, five weeks of such work alternating with five weeks in classes.

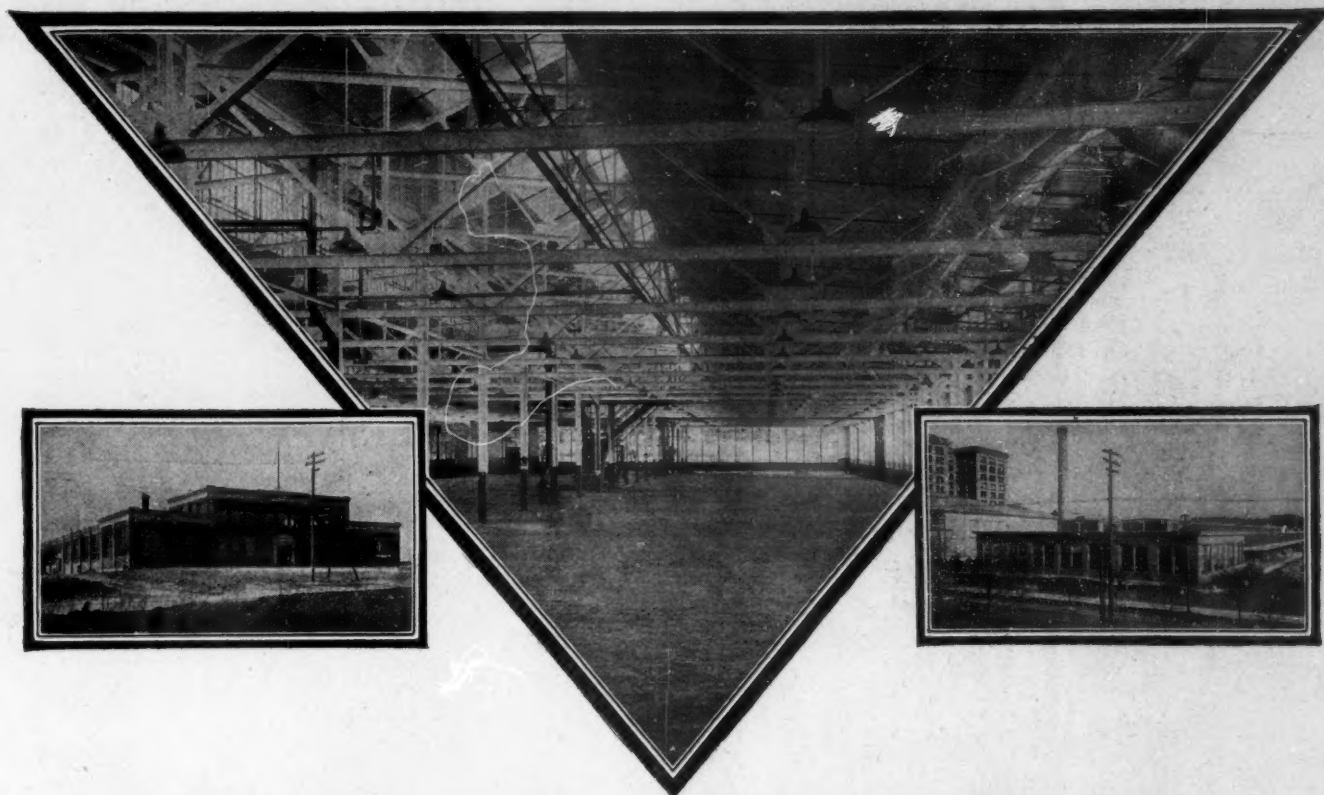
During his school years the student has actual experience in many phases of industry. At first he is generally a laborer, a craftsman or a clerk, commonly doing routine drudgery, such as usually falls to the lot of labor. Sometimes the student feels that he is losing time. But here, perhaps for the only time in his life, he meets laborers as man to man, he learns what monotonous work is, and gets a point of view that will make his judgment in after years more intelligent. He is also giving evidence that he is made of the right stuff, and has real staying qualities.

Then as the years pass—the cooperative course requires six years for students of average ability—he gets a variety of work of continually increasing responsibility, covering as many of the elements of business administration as possible.

For instance, one Antioch student is the son of a large cracker manufacturer, and plans to enter his father's business. Looking over the student body he picked another student as a team mate. During the freshman year at college their working periods were spent in the bakery, where they learned the actual processes of baking. They have decided that another year in the same department is desirable in order to master the technic. Thereafter they plan to spend about a year each in the departments of accounting, sales, advertising, production and management.

At graduation these boys will have the fundamentals of a cultural education; they will have had a full share of college life, they will have had thorough training in the theory of business administration in its various phases, and they will have worked half time for six years in developing practical knowledge and judgment of the business to which they are to give their lives.

In some cases students are undertaking to manage small businesses of their own, and are developing responsibility by having at once to rely entirely upon themselves. It is planned as soon as possible to locate some industries near the campus, the college to furnish the floor space in an industrial building, with power, a labor supply, and where desired with service in accounting, publicity, salesmanship, etc. Thus Antioch will be a self-contained business laboratory in which training may be gained from direct experience.



In Factory Floor-Space or Politics

LINCOLN said, "You can't fool all the people all the time", and the truth holds just as true in selling factories as in playing politics.

We might possibly have coaxed such industrial leaders as the General Electric Co., The National Cash Register Co., Pilkington Bros. (Canada's largest glass manufacturers), Nordyke & Marmon, The Robbins & Myers Co. and others—each of whom have purchased from two to five Ferguson Buildings—into a single unwise purchase. *But we couldn't have made them repeat a mistake.*

FERGUSON STANDARD FACTORIES are sturdy, *permanent*, full-value structures of brick, concrete and steel—(not stop-gap assemblies of short-lived materials) and in every specification match with the finest industrial work.

\$1.25 a Square Foot—Ready for Occupancy in 40 Days
(on the basis of 40,000 square feet or more)

On any single-story standard Ferguson design (of which there are 4 types) we can guarantee to equal or better those figures. Materials, including prefabricated steel, are in stock awaiting shipment to any site. Trained superintendents will take charge of erection immediately. Everything is ready for the word from you. You can have your new plant or addition *in January* if you act at once. The first step—which places you under no obligation—is to ask a Ferguson representative to call. Or, write for catalog, "Better Buildings".

THE H. K. FERGUSON COMPANY

*Design and Construction of Heavy Industrial
and Railroad Projects*

HAROLD K. FERGUSON, President
CLEVELAND

6523 Euclid Avenue

Phone Randolph 6854

Ferguson

ONE OF AMERICA'S BEST BUILDERS

Talk of Higher Prices Finds a Buying Public That Will Accept It Only With Proof

By ARCHER WALL DOUGLAS

NOW THAT the results of the harvest are definitely known, it is possible to gauge the probable trend of business, in the near months to come, largely by the proportionate relation of supply and demand in every phase of commercial life. For when it is all simmered down, this unchanging law is the compelling cause of the movement of prices, which is the factor just now that most engages our attention. Its inexorable workings are seen in the lower price of pig iron, because of increased production and somewhat im-

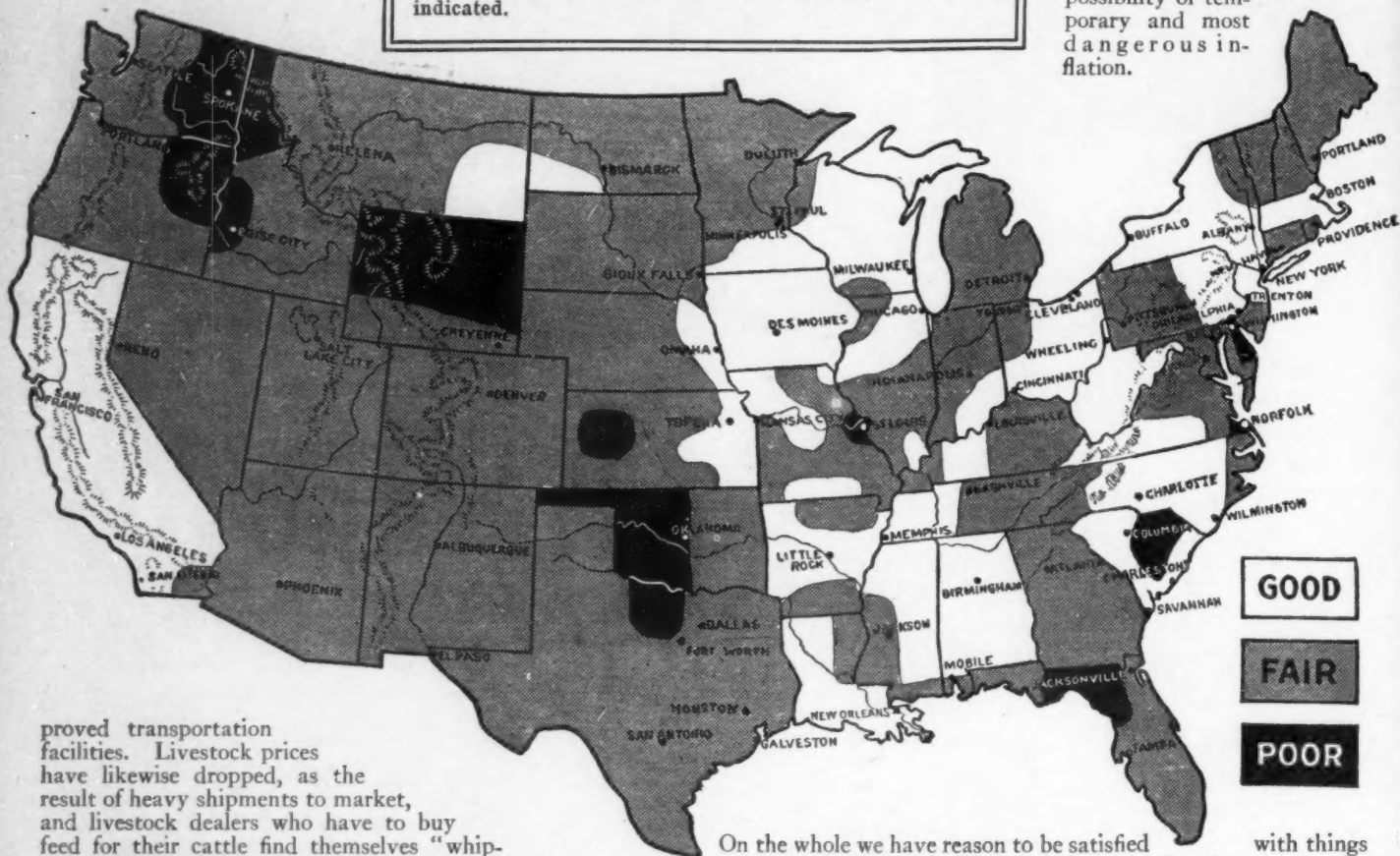
proved transportation facilities. Livestock prices have likewise dropped, as the result of heavy shipments to market, and livestock dealers who have to buy feed for their cattle find themselves "whip-sawed" by lower figures in the things they sell, and by higher costs in grain. No advance will long hold without support from a consuming public whose discrimination between an attempt to put things over on them, as against a sound reason, is shown, on one hand, in the suspicion with which they view higher figures in some metals, and on the other, in their gradual acceptance of greater costs in cotton fabrics because of fundamental facts that cannot be gainsaid. At present there are many forecasts of higher and still higher prices for commodities which range anywhere from five to thirty-five years, such predictions being based upon charts and graphs which tell of the trend of prices in the past; and there are grown white men who take these things seriously as being scientific forecasts of the future. Meanwhile, among the mass of people who live close to facts, there is the profound conviction that the time is still afar off for any general advance in prices, and that any such attempt will not only prove futile and temporary but will likewise defer the coming of true and enduring prosperity just that much longer. For the common sense of the nation has general realization that there are still too many discrepancies in the wages of different classes; too wide variations in the cost of commodities, especially

in those that the farmer buys, compared with those that he sells; too many freight rates that are heavy handicaps of the business of distribution; that so long as it takes 100 bushels of corn to buy a cooking range, and 3 bushels of wheat to buy an ordinary hat, the times are still out of joint, and there is something rotten in the State of Denmark. They feel that talk of eras of higher prices and nearby prosperity that are predicted on the amount of gold in this country, or the growing ease of credit, should instead warn us against the possibility of temporary and most dangerous inflation.

Business Conditions, November 15, 1922

THE DOUGLAS MAP shows at a glance the general conditions of the country. Light areas indicate good crops, industrial activity, and "high pressure" buying markets. In the black areas these conditions are lacking. The shaded areas are half way.

In studying the map it should always be borne in mind that only actual conditions are shown; prospects are not indicated.



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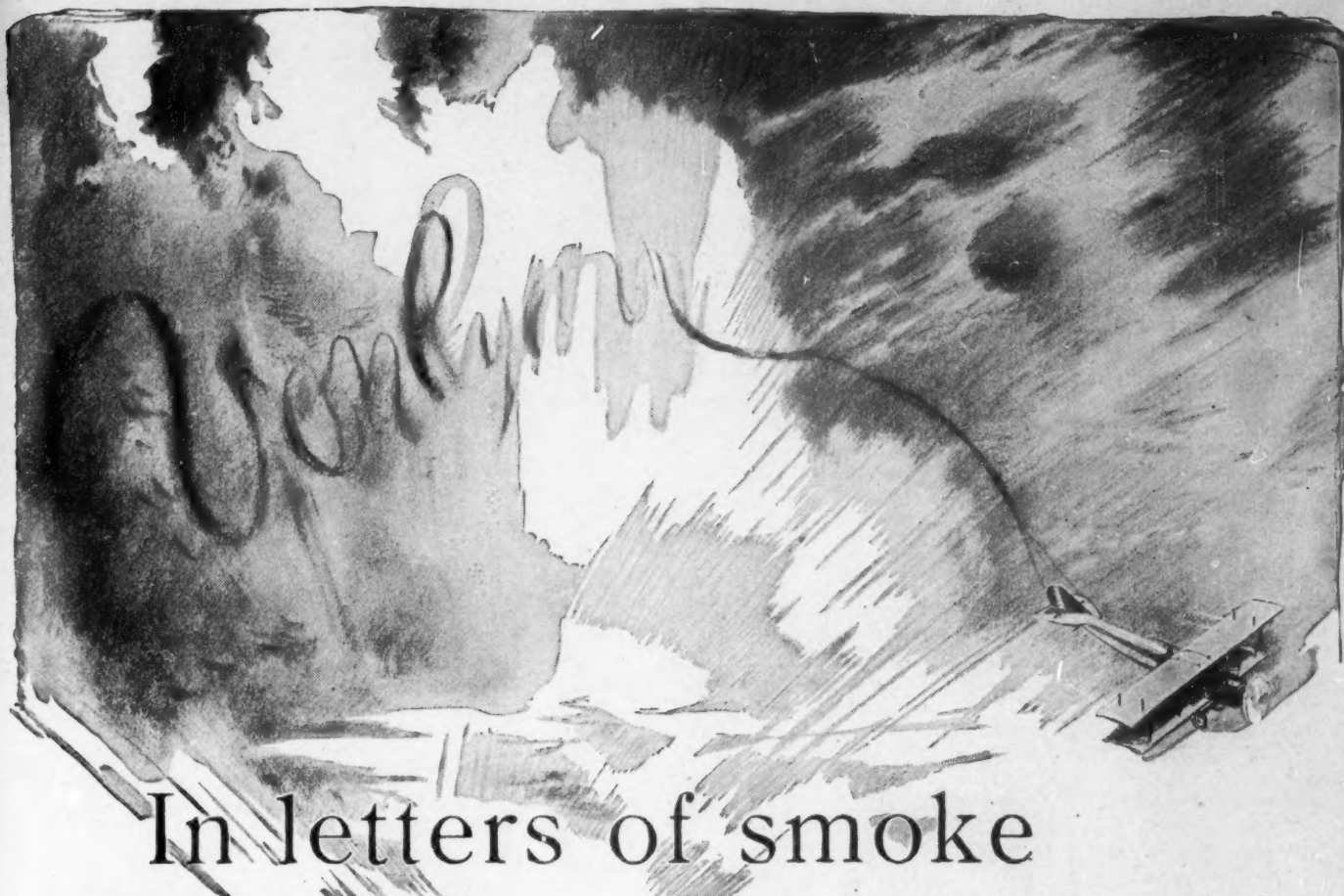
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Meanwhile, among the mass of people who live close to facts, there is the profound conviction that the time is still afar off for any general advance in prices, and that any such attempt will not only prove futile and temporary but will likewise defer the coming of true and enduring prosperity just that much longer. For the common sense of the nation has general realization that there are still too many discrepancies in the wages of different classes; too wide variations in the cost of commodities, especially

On the whole we have reason to be satisfied with things as they are and as they promise to be. Judging progress by its true measure, that of comparison with twelve months ago, we have made great advances along the way to readjustment, and our problem is to stay in the middle of the road and to make haste slowly. Business conditions continue to be local rather than general.

A town, for instance, in southern Illinois, that has a coal mine nearby, is back into life again and is full of business. Another town in the grass prairies in the central portion of the state that has always raised corn mostly and not much livestock, realizes that it is up against changed farming conditions and that it must add livestock and small grains to its products, while another town in the northern portion, that is the site of a factory or a dairy plant, is marked "Good" on the condition map. In the grain regions farmers are doing well, or only "middling," or else merely poor, as the case may be, according to their situation in regard to marketing and transportation facilities.

A farmer in eastern Kansas who raised a good crop of wheat is doing well, while if he is in southern Idaho he is in a bad way and will continue to be so until freight rates go down, or another crop is harvested. In the south, high-priced cotton has come to stay until another crop is picked next year, and the general



In letters of smoke

IN a suburb of a certain large city, two manufacturers who are warm friends live side by side. One of them has advertised his product to the public for many years; the other has just begun to advertise a new product.

Not long ago, while they were reading their newspapers on the way to the city in the morning, the man who has advertised for many years turned to his friend and said:—

"I have just been reading here about a device which makes it possible for an airplane to write across the sky in letters of smoke. It reminds me of something I want to tell you—something that I consider the most important lesson that an advertiser has to learn.

"When you and I have as many as four or five urgent things to do in a day we write them down—we don't trust ourselves to remember them—the human memory is too frail a vessel.

"By the same token, it is hard enough for the public to remember the products that are advertised *now*—advertised regularly, month in and month out—

without remembering the ones that appear in the newspapers and magazines for a little while and then step out of the picture.

"From what I know of your proposition, you ought to be a highly successful advertiser. In fact, you will probably be so successful—and some day business will seem to come so easily—that you may forget the part that advertising plays in making it come easily. You may get the idea, as others have, that you can stop your advertising—or cut it to a shadow of itself—and never miss it.

"But the public memory is no better than your own, or my own. It must be jogged continually. If the time arrives when you think you can forget the public and not be forgotten yourself—put away the temptation. It is the law in advertising, as in everything else, that permanent success requires permanent effort. If you try to dodge that law, as sure as you are here you will find that your name and your fame are written in letters of smoke."

N. W. AYER & SON

ADVERTISING HEADQUARTERS

NEW YORK

BOSTON

PHILADELPHIA

CLEVELAND

CHICAGO



good effect of this will become increasingly apparent. Where business can be had depends upon an intelligent knowledge of the situation in each section and each locality, and this is what the Condition Map sets forth in definite array. In general, manufacturing and mining continue very busy, and so do construction and building, although slowing up as the cold weather comes on. The only limit to the possibilities of transportation is a lame equipment which shows slow but steady progress.

The business of distribution grows apace, and the wholesale and retail trades are buying for the future with the prospect of distinctly better business in the coming spring than twelve months ago. The art of salesmanship, lost during the war, is experiencing a recrudescence born of necessity, for it is still a buyers' market.

The acreage of winter wheat promises to be larger than last year, and wherever the plant is up, it is doing well, with abundance of moisture in general. The irresistible con-

structive tendency of the farmer points to a great acreage of practically all crops this spring. So those who are prophesying pleasant things in the way of higher prices, and much business, will be wise to conserve such reputation as they may chance to possess by lying low and waiting to see what the first six months of next year will do for the world of agriculture.

The immigration problem is one that ere long will engage general attention. Primarily it is not so much an economic question as a social and political matter of far-reaching import. Procuring a plentiful supply of cheap labor is of small moment compared with the fundamental problems it creates in the way of indigestible human nature that we cannot assimilate in our national life, until it becomes a case of inventions returning to plague the inventor. Many of the troubles that most concern us were imported with the foreign people who are utterly alien to us and our institutions. Moreover, we are fed up on the

idea of being recompensed by the second generation turning out to be full-fledged Americans, which frequently they are not, as national traits and leopard spots are not so easily rubbed out.

The most recent government crop estimates of the probable yields this season of wheat, corn, and cotton, evoke the natural query as to what definite and practical purpose is served by the earlier forecasts from month to month. In the beginning of the season, those observers in touch with actual facts were well aware that the current government forecasts of the probable yields of these staples were entirely out of line and with no likelihood of any such production as that indicated, and so stated in public print. All their statements have been verified by the latest revised figures issued by the Department of Agriculture. Apparently all that the earlier government estimates accomplished was to furnish material for gambling in futures, and to depress the prices of the commodities in question.

House Organs—They Do Pay!

By HARRY BOTSFORD

IT IS a far cry from Poor Richard's Almanac, which, perhaps, was the first American house organ, to the modern house organ. The present day house organ constitutes an unsung literature that is typically American in style, purpose and achievement. It is business literature, and no other appellation fits quite so well.

It is rather surprising to know that the total circulation of all house organs printed exceeds the combined total circulation of any six nationally known literary periodicals. One house organ in particular has a circulation of five millions!

One prominent authority on the subject alleges that in effect Addison's *Spectator* was a house organ. If this is the truth, the house organ has been some years in reaching its present development. The oldest house organ now being published in the United States was established in 1847 by a firm of wood-workers in New York. It is still a healthy publication.

This, then—putting aside the fact the first real house organ in the United States was printed by Ben Franklin as a house organ for his print shop—was the beginning of a new literature, a new type of magazine in American industrial life that has grown to such an extent that today over 2,000 house organs are printed at an annual cost of over \$10,000,000. Rather a large printing bill!

But what, inquires the uninitiated, is a house organ? Probably the best definition ever given states that a house organ is any periodical issued by a person, any particular class or group of people, either for promoting goodwill, increasing sales, inducing better efforts or developing greater returns on any form of investment.

House organs might, very properly, be divided into four general classes according to the functions which they perform or are designed to perform. In the first class one might place the house organ which goes to salesmen and agents; the second class would comprise those which are sent to dealers only; the third class would be what is known as the internal house organ and is a periodical designed to be read by employees, while the fourth class is that which is known as consumer or user house organs.

What does a house organ look like? What is there about its physical appearance to set it apart and to warrant its being given a place in American literature? Study house organs as I have and you will find that a large percentage of them, regardless of the

THE NATION'S BUSINESS

It has been called a house organ, and we accept the title gracefully. We like to think that we are a house organ, the house organ of American business. And we are in good company as Mr. Botsford's article will make plain. Circulations of our most popular periodicals shrink when you put them alongside a house organ with 5,000,000. Mr. Botsford didn't name it, but we will. It's the *Metropolitan*, published by the life insurance company of that name.

THE EDITOR

function they are designed to fill, are well printed on paper of excellent quality and with a style of typography that might be the envy of any strictly literary journal.

Further, one will find, almost without exception, that the text matter is well written along thoughtful and intelligent lines. Let me say this about the text matter; the firms behind house organs are almost unanimous in their sincere assertions that their house organ does fulfill its definite purpose. Business organizations today are coldly practical when it comes to spending money, and it is only reasonable to assume that if house organs failed in their purpose they would be removed from the payroll with no hesitation.

In proof of this contention let me cite two or three examples of work that has been accomplished by house organs—these from hundreds of cases.

In the middle west there is a manufacturer who, twelve years ago, started to make metal beds. For six years the business wobbled

on an erratic course, making a decent profit one year and the next dipping deep into the red ink. Analysis of the situation failed to bring to light any startling facts or to indicate the cause of all the trouble. At the end of the sixth year a desperate advertising manager decided to try out a house organ in an effort to bring the large sales force to a point where orders would outnumber alibis. A keen young house-organ editor was hired and within six months sales began to show a steady increase. Just how that house-organ editor stimulated energy and sales ability among a large sales organization is a story by itself. Sufficient to say that results have been cumulative and last year gross sales ran around \$5,000,000 and that the force of salesmen had been reduced 34 per cent. The head of this organization frankly admits the little house organ is responsible for the steady and satisfactory growth of the business. Today the house-organ editor is sales manager of that company, but he still edits every line in the house organ.

There is a certain eastern manufacturer who can tell you a mighty interesting story about house organs. He had been having trouble with his dealers. Dealers would place one order for the firm's product and then, not being familiar with it, would not be able to successfully merchandize it. Salesmen would call in high hopes of receiving a healthy repeat order and would, as one salesman expressed it, get two orders—one to get out and the other to stay out. Sales dropped off at an alarming rate and the main office worried and fumed and fretted. Salesmen were hired and fired, but the situation remained the same. Conditions finally reached a stage where it was imperative that some definite action must be taken to change the attitude of dealers or the firm would cease doing business.

It was decided at a conference that a dealer house organ might accomplish what seemed to be impossible. An experienced house-organ editor was consulted and hired. He was told to go ahead and hang the expense! Before taking any definite action the editor constituted himself a one-man investigating committee. The firm manufactured a motor washer. After investigating the field the

editor found what would have to be corrected. A rather peculiar condition of affairs existed; in fact, a veritable complication of business ills came to light.

In the first place a motor washer is a difficult thing for a dealer properly to display in a show window; in the second place dealers did not know how properly to advertise the product. Dealer salesmen did not know how to sell motor washers because they were more or less unfamiliar with their working. In addition to all of these facts, motor washers, no matter how well made, did balk once in a while, and because the dealer was not familiar with the mechanical operation of the washer more than one indignant housewife took her patronage away from the dealer who would not or could not fix the washer. No wonder sales were few and repeat orders were unknown!

The dealer house organ developed by the young editor was designed to remedy every trouble with the sales end of the business. In the first place he began to offer monthly prizes for the most attractive windows featuring motor washers. Photographs poured in and dealers began to take keen pride in winning the prize and, in doing so, of course attracted customers to their stores.

A department in the house organ told how to advertise the motor washer with free cuts and copy service offered. The demand for this service was very satisfactory. Still another feature gave new selling points and arguments for dealer salesmen, and another monthly prize was given to salesmen who sold the largest number of washers.

In addition to this a regular feature of the house organ was conducted by the engineering department in which the mechanism was clearly explained and how simple repairs could be made when a washer balked.

What happened? Everything! Once dealers knew how to dress their windows, how to advertise, and once their sales people knew how to sell the washer, sales began to increase in a highly satisfactory manner. Repeat orders were the rule, and when a dealer had a complaint of a balky washer one of the sales people could always remedy the trouble. Complaints due to the ignorance of seller and buyer completely eliminated.

The internal house organ which is printed for the employees is, in the opinion of many, the most important of all house organs. Such a house organ "sells the job" to the worker, and in doing this work it has a function of great importance. Make, as has been done, an analysis of a hundred large organizations over a period of two years. Examine the record of those organizations who publish a plant paper and you will find a low turnover and a high labor morale.

The right kind of an internal plant paper gives the workman in printed form what he cannot secure elsewhere. It keeps him informed on what his fellow-workmen are doing; he reads that Jim Reed in the foundry has bought a new car, and he reads other little intimate notes about the other men with whom he works. *He reads about himself—and he likes it!*

That's one side of the plant paper; the other side is diplomatic editorial squibs against radicalism, items that will show every worker the importance of his individual job to the finished product and where that product goes and what it does when it gets there.

Meet the average house-organ editor as I have and you will find him to be a keen, bright and intelligent chap who believes in his job and who believes it is the biggest and most important job in the world. He deserves a high place in modern industrial life and even a place in literature.

Stone & Webster

Work Everywhere

Stone & Webster have carried out engineering and construction work in three hundred and thirty cities in forty-one states and seven foreign countries.

On a notable variety of foreign work, American construction methods under Stone & Webster engineers are meeting with marked success.

STONE & WEBSTER

INCORPORATED



BOSTON, 147 Milk Street

CHICAGO, 38 S. Dearborn Street

SAN FRANCISCO, Holbrook Bldg.

NEW YORK, 120 Broadway

PITTSBURGH, Union Arcade

PHILADELPHIA, Real Estate Trust Bldg.

The Art of Getting Others to Work

IS THE secretary of your local Chamber of Commerce or your Trade Association doing the work of ten men? If he is, do you consider that he is an asset to your business community?

Professional leaders of organized business take the view that such a secretary is a failure. To be a successful business executive, according to the up-to-date standards, the secretary who is responsible for seeing that the work of your business organization is not permitted to lag must acquire the knack of putting other men to work. His real task is not to do ten men's work, but to get ten men to do it.

This trend of thought is found running through the speeches of those who addressed the eighth annual meeting of the National Association of Commercial Organization Secretaries at Detroit, October 23 to 25, inclusive, and at the third annual convention of the American Trade Association Executives at Buck Hill Falls, Penn., in session the latter half of the same week. At both meetings it was demonstrated that the men who are piloting organized business are not permitting their minds to run in the single-track grooves.

One speaker—Munson Havens, secretary of the Cleveland (O.) Chamber—who addressed the Detroit meeting said that the real technic for a live organization secretary suggests a paradox; a salaried officer is to persuade those who pay his salary, to do his work, without compensation. He says you may call this system a plain case of "passing the buck," but he insists that the keenest discrimination and judgment must be exercised as to to whom the buck is passed, and then the buck must not get out of the secretary's sight until its purpose has been fulfilled.

Somewhat the same thought, expressed in different words, was voiced at Buck Hill Falls by Guy A. Henry, secretary of the American Association of Wholesale Opticians, who offered some timely suggestions as to the methods of using efficient office equipment for the elimination of waste both as to time and materials. Fundamental education and training of the trade executive was advocated by A. L. Smith, general manager of the Music Industries Chamber of Commerce, who, in keeping with some of the suggestions made at the Detroit convention, contended that the present crop of trade secretaries has been largely developed through force of circumstances and personal familiarity with certain trade lines. It was his opinion that in the future the secretary and trade executive will be a product developed for their profession.

But is the Chamber of Commerce or Trade Association secretaryship a profession or a vocation? That question was raised at Detroit by George E. Foss, general secretary of the Pennsylvania State Chamber of Commerce, Harrisburg, in discussing, "The Fundamentals of the Secretarial Profession." Mr. Havens and other speakers used the term *vocation*. Upon his return to Washington from the convention, C. B. Brown, chief of the Organization Service Bureau of the National Chamber, in discussing the high spots of the Detroit meeting, said:

There is a struggle upward with marked progress in the endeavor to make the commercial organization secretaryship a profession.

Today, it is not a profession. It is a vocation. The secretaries are recruited from many sources, and too little attention has been paid by organizations to selecting men of successful experience as secretaries. The result is that many men, particularly the very young men who do not know the requirements of the job, come to think they are the whole Chamber of Commerce, and delight in the title of executive. Often these men have been lacking in the essential qualifications for executive leadership. It was brought out very forcefully at the convention that a successful secretary is not the one who is willing to do the work, but is the one who can organize the members to do the work.

Two of the outstanding features of the Trade Association Executives' convention were the adoption of a definition of "What is a Trade Association?" and the declaration of trade principles or ethics to govern the conduct of trade association executives. Here is the definition of a trade association as agreed upon by the convention:

A trade association is an organization of producers or distributors of a commodity or service, upon a mutual basis, for the purpose of promoting the business of their branch of industry and improving their service to the public through the compilation and distribution of information, the establishment of trade standards and the cooperative handling of problems common to the production or distribution of the commodity or service with which they are concerned.

In the future the conduct of the secretary or trade executive will be governed by this code of ethics:

THE CODE OF ETHICS

The Trade Executive to Himself—the Man

1. "Do unto others as ye would that men should do unto you."

2. The pledged word of the trade executive must be as good as his bond. He recognizes as fundamental a strict adherence to the truth, in business and personal relations, and will never wilfully misrepresent any case, fact, principle or condition.

3. A trade executive must be true to himself if he is to be true to others. He must have self-respect if he is to win the respect of others. He must be above currying favor, perverting a trust or using personal relations and friendships for private gain. He should not limit his independence of action by accepting favors or gratuities from individuals or firms within the association or from interested sources without.

4. A Trade Executive should be a man of sterling character, backbone and force, fearlessly impartial, just, honest, loyal and square, with courage to see things as they are, willing to recognize two sides to every question and ready to give them both a full hearing, prepared to hew to the line in matters of policy and conduct and never sacrifice right for expediency.

5. A Trade Executive must give of the best that is in him, without stint and to the uttermost, to the work he is called upon to perform, and should never have any personal pecuniary interest in the line of business represented by his organization.

6. A Trade Executive should maintain his position on his merits and ability, and his income should be determined accordingly, as a private matter between himself and his association.

The Trade Executive to his Association—The Leader

1. Information gained in the line of duty is privileged and inviolable. Under no circumstances shall it be revealed except with the full consent of the members in question, or in the cause of justice before the law.

2. The highest obligation of a Trade Executive is to keep the faith of those whose confidence and business interests he has in his keeping.

3. Exploitation of an association for private gain is flagrant infidelity and dishonor. A Trade Executive will accept compensation, financial or otherwise, from one source only, except with the full knowledge and consent of all interested parties.

4. Entanglement with any clique or class is not compatible with equal and impartial service to all members, whether in small business or large.

5. A Trade Executive should tell his association members of any knowledge, information, condition or shortcoming affecting his services or any matter under consideration, and stand squarely before them, not attempting to screen himself or them from actual facts and conditions.

The Trade Executive to His Fellow Executives—the Comrade

1. A Trade Executive should be scrupulously fair to every other Trade Executive and other associations, never resorting to any underhand methods to secure any special benefits or advantages for himself, his association or the industry covered by his association.

2. A Trade Executive must keep faith with his fellow-executives. He must magnify rather than cheapen the profession and base his efforts for recognition upon ability, scientific attainment and actual accomplishment and not upon ambiguous, self-laudation, insinuation and misappropriated credit for what others, especially subordinates or associates, have done.

3. A Trade Executive should protect the reputation of his fellow-executive where it is unjustly and maliciously attacked and seek to clear it up by discovering the actual facts. Where the adverse reputation is established by facts, professional recognition should be refused the Trade Executive in question until he has squared himself by proper restitution and reparation and by subsequent honorable conduct.

4. A Trade Executive will assist to the best of his ability in building up the profession by exchanging general information and experience with other executives, and with students of the profession, and will contribute to the work of the American Trade Association Executives and to the technical press.

5. A Trade Executive will neither resort to unfair means to win professional favor or advancement nor injure any other Trade Executive in the matter of employment, present or prospective, and will not compete with another executive for employment on the basis of salary.

The Trade Executive to the Public and to the Government—The Citizen

1. A Trade Executive must remember that only as his work promotes standards of quality and service, contributes to stability of honest industry, promotes the public welfare, is obedient to law and established decree, respects the full rights of citizenship and stands squarely before public and government, does it promote the permanent success of his association and its industry.

2. A Trade Executive will not associate

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An Advertisement

to the Business Man who wants to know what the CHAMBER of COMMERCE of the U. S. can *DO* for him and his firm

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THE Chamber of Commerce of the United States, working with, for, and through its 1400 organization members and its something over 20,000 firm, corporation and individual membership is today recognized as a proper spokesman for American Business.

Its proper seat of influence is the National Capital, because *there* national legislation is initiated, and *there* national administrative acts which affect business and industry most intimately, are set in motion.

Vigilance Always Needed

Organized business knows that it must be vigilant and far-sighted. Remedies must be planned far in advance, to be effective. Every reasonable man must admit that we are *still* in the stage of evolution, we are *still* placing the shifting frontier between Government and business. We are groping for the proper solution of many problems, and these problems must always be in a state of flux, through which the steady hand of experience and study will especially be needed.

Organized business . . . men of great ability and experience, with a devotion to the larger public interest . . . must assume the leadership in these days, because out of steady experience and study, organized business can warn against acts which it *knows* will be followed by national distress and disaster.

The effects of unwise injection of government in industry extends itself over many years of actual suffering and loss.

Transportation an Example

It is clear that for inadequate transportation, the unwise government policies of the past few years may fairly be judged to blame.

The unwise restriction of Railroad opportunity for proper earnings dried the sources of their credit, and gave them operating *deficiencies*, instead of *surpluses*. Therefore, neither credits nor surpluses could supply the means of replenishing and enlarging Railroad equipment; for the lack of which we now suffer to this tremendous national extent.

It may be claimed that the present situation does not come

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(Continued)

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from inadequate equipment, so much as from the recent strike. You will recall that a section of railroad workers refused to accept the award of a board of arbitration, organized precisely to help in peacefully solving industrial disputes in that essential service.

The strike situation may have been a partial contributor to this deplorable situation, but we must find a solution for both defects.

It is inevitable that interrupted transportation shall add a burden to every consumer price, or be deducted as an insurance premium from every producer price. Business losses, which occur through inability to fulfill contracts as obligated, are sure to follow the conduct of trade under such menaces.

Avoid Europe's Mistakes

Organized business must play its part, it must find a solution for the menace of trade suspension or interruption by the action of organized bodies of workers. If in them rests the power to point a pistol in this manner at the public's head, we must find a way to invest them with the responsibility which must accompany such power and influence.

Organized business has seen in Europe three former great empires broken down, almost to the verge of savagery, by the trying-out in actual practice of social and political theories that had been preached as academic for years before.

In Russia organized business has seen the production of a great people *destroyed*, because a system of communism destroyed the individual incentive to effort.

We will have none of that in America.

In Austria and Germany, organized business has seen the new Socialist governments embark upon a policy of total disregard of national income and outgo.

And from that into a sea of *dishonest currency inflation*.

Business Has a Duty

With a policy of unlimited issuing of national promises, without security, and without intention of redemption, these Socialist governments have succeeded in destroying the value of thrift-savings of every kind: particularly such as life insurance, created by sacrifice for the protection of after-death dependents. They have destroyed the *only* means on which trade must function: namely, the necessary stable measure of value for exchange of goods. By currency depreciation, with the result that the savings of tonight are worth less by the morning, they have destroyed the *very basis* of human inspiration to create and to save.

Organized business must see that America does not enter upon that road of easy and dishonest currency inflation even though that first step be aided by the natural human sympathy aroused by appreciation of the veterans' patriotic

(Continued on next page)

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service and stamped with the fantastic title of "adjusted compensation" for service which cannot adequately be compensated.

Organized business believes that the preservation of the field of opportunity, and the incentive which it brings to individual effort and productiveness, is the *most precious possession of America*. Upon business, organized for action, understanding the direct working of economic law, rests a responsibility for the preservation of this most precious possession: *your field of opportunity*.

The men who direct the policies of the U. S. Chamber of Commerce (the 65 Officers and Directors, the 34 Committee Chairmen, with their Committees aggregating 352 members) are men of serious purpose, convinced of the necessity of preserving those fundamental conditions. They intend to do their part in preserving that most precious heritage of American political and social philosophy: equality of opportunity for every individual, and his right to carve *his own niche* in the social structure, by *his own ability and effort*.

Public Opinion Decides

Read over now the names of men who are very active in the National Chamber's work. A number of these names are shown in the side panels of this announcement. Observe the business firms they represent. Then judge as to whether or not the Chamber is equipped for the great task, indicated in part by the following six fundamentals, in which organized business must take its rightful leadership.

1. Organized business must, in its broader aspects, act to preserve the proper national atmosphere in which business itself may prosper; it does not serve solely and selfishly the directors of industry.

2. It does not arrogate to itself the right to be sole judge of those business and governmental policies which may be helpful or otherwise to industry.

3. Organized business itself believes that, by experience dearly bought, it appreciates as no other section of national life, the distress and disaster which follow a violation of sound business principle, and deviation from sound financial practice.

4. Organized business knows that business distress means unemployment, and that, again, means reduced buying-power. Thus is set up the vicious circle which brings distress and loss into every home.

5. Organized business knows that influences which stifle enterprise and thus reduce individual employment and individual opportunity, seat themselves in the mistakes in the relation of Government to Industry.

6. Organized business today conceives its obligation to be the collection of *facts*—cold, hard, but convincing facts, which when presented with irrefutable logic do of themselves suggest effective remedy, or prevent further mistakes in Government relation. The day is passing when sound logic, based on carefully ascertained, thoroughly accurate data, can be defeated, solely by unrestrained speech and irresponsible public print. Sound logic is *no longer*

(Concluded on next page)

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sufficiently answered with the old cries of "demagogue" or "profiteer."

The Chamber of Commerce of the United States believes that informed public opinion may be fairly trusted to reach accurate and fair decisions. The Chamber therefore conceives that its responsibility is to help to inform and create that public opinion through its contact with its individual members and with local organizations and their members. Then that public opinion will have its influence on legislation and administration.

The Chamber's Record

It is not, therefore, hard to see why the Chamber of Commerce of the United States takes a measure of pride for its service in aiding to bring about these things:

A. The establishment of a national budget, which prescribes for the nation, as for each individual, sound financial practice in relation to income and outgo;

B. The defeat of the bonus, because as drawn it was clearly the first step on the path of unsound finance, which if persisted in would wreck national credit and destroy the savings of thrift, as before pointed out;

C. Railroad legislation which introduced a measure of sanity and fairness in the regulation which Government has imposed on privately owned and operated transportation channels;

D. The inauguration in the recent tariff legislation of a measure of discretion and flexibility to meet rapidly changing business conditions, such as any business man knows is essential, if healthy trade is to endure;

E. The establishment of a Federal Reserve System, which wrote its usefulness in large letters by the demonstration of war service;

F. A measure of tax reform that partially lightened the dead hand, which was stifling creative enterprise in this country, with its four million unemployed, last fall.

The Chamber of Commerce of The United States of America has helped in the above program. This is evidence enough that it can and will help in other matters of similar or even greater importance.

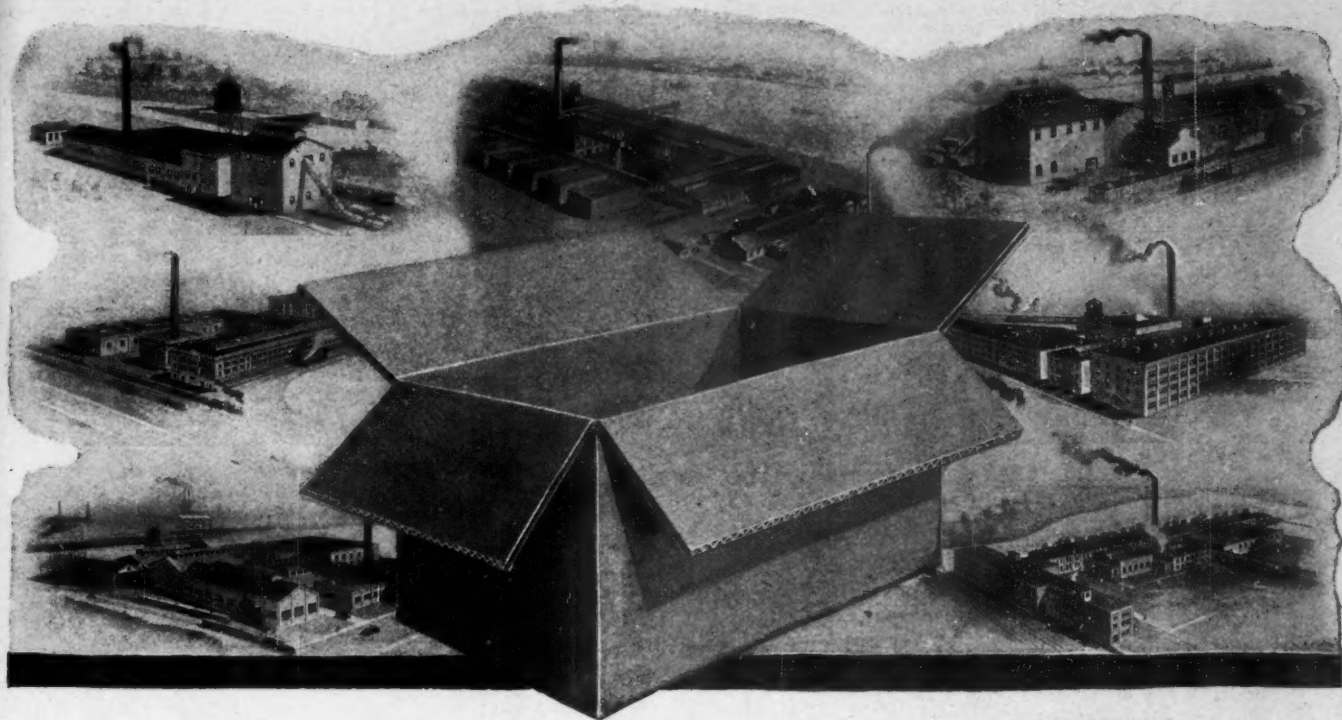
There Is Much To Tell

We haven't the space to say more. Yet there is much more to tell. What part should you play in the work of the National Chamber? What part should your firm play? What are the specific benefits and definite services which the Chamber offers you, for your use? And offers to your firm?

We shall welcome an opportunity to call on you in person to describe in detail the service of the Chamber as it affects you or your firm. Write us a letter, which might, for example, read something like this: "I am interested in the activities of the Chamber of Commerce of the United States as it applies to my (our) interests, and should like to learn more about such activities."

Field Department

CHAMBER OF COMMERCE of the UNITED STATES
WASHINGTON



A Battery of Giant Mills Backs H&D Service

TEN big mill and factory plants—strategically located and efficiently equipped! Expert knowledge—an unsurpassed service organization—and above all, **PRODUCTS OF OUTSTANDING QUALITY.** Not idle claims, these—rather, they constitute a “high-spot” inventory of the factors responsible for the conspicuous success of a great service.

For thirty years the name “Hinde & Dauch” has meant **SCIENTIFIC PACKING SERVICE.** H & D Shipping Boxes and Packing Materials are the containers and safeguards for daily shipments from thousands of factories. You will find these better boxes in speeding express cars and on slow moving freight trains; in the black holds of steamships and on distant wharves; on bumping motor trucks and in hustling terminals. Everywhere is evidence of H & D service and its universal use by the nation's shippers.

We submit for your consideration the suggestion that the Hinde & Dauch Paper Company, with its efficient manufacturing units, its experience

and its facilities for service, is an organization that can be of real value to your company. The designing and testing of boxes for scores of widely-varied articles is a daily task in our engineering department. The most ingenious and efficient packages in use today have come from our laboratories. Our engineering staff asks only for an opportunity to show you what can be done in evolving a **BETTER, SAFER AND LESS COSTLY PACKING** for your products.

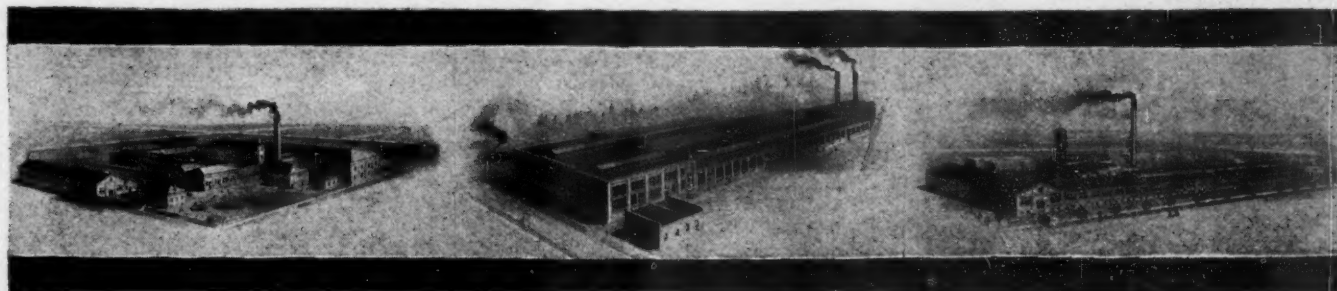
Write us today for details of this free design service and a copy of our catalogue. And make a note to consult us before placing your next box order.

The Hinde & Dauch Paper Co.

304 WATER STREET

SANDUSKY, OHIO

Canadian Address: Toronto, King Street Subway and Hanna Avenue





A Cotton Shipment and Banking Service

ONE of our customers in the South recently had demonstrated to him the value of a banking connection through which he could obtain adequate credit and service.

He had made a shipment of cotton to a British firm. On arrival in Liverpool a certain proportion was not accepted by the consignee. Disposition of this cotton now became a problem to the shipper.

Through our New York Office we extended the shipper credit with which to repay the British firm for the unaccepted cotton. Through our Liverpool Office we

arranged sale of the cotton on a basis satisfactory to the shipper, and attended to the collection of the proceeds for him.

This Company finances a large volume of American cotton exports. It has developed a service which is of genuine value to the shipper, not only in routine matters, but in such emergencies as the foregoing, which are inevitable from time to time.

Similarly, manufacturers and merchants in practically every line, as well as financial institutions, find our facilities an important factor in their business.

Every requirement of your business, in harmony with sound banking practice, can be met by this Company. We invite you to discuss your banking needs with us.

NEW YORK
LIVERPOOL

LONDON

HAVRE

PARIS

BRUSSELS
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Guaranty Trust Company of New York

himself with or allow the use of his name in any enterprise of questionable character; he will not employ counsel who indulges in unprofessional practices, and will not participate in any activity which is subversive of law or public welfare.

3. In case of legal liability, as the result of negligence, criminal perversion or other misuse of information or logical facts, the ultimate moral responsibility rests upon the Trade Executive notwithstanding any financial support or control from outside origin.

4. As a man and a citizen a Trade Executive will not condone any infringement of law and constituted authority, directly or indirectly, but will recognize that as the authority of the law and the integrity of the government have been essential in times past to peace, progress and prosperity, even so must they continue honored and maintained for the commonweal.

Another interesting feature of the Buck Hill Falls meeting was the study of the business cycle, which is attracting so much attention in all lines of business. "The Trade Association Executive's Interpretation of the Business Cycle" was the subject of a paper read by E. F. DuBrul, general manager of the National Machine Tool Builders Association, who has for some time charted the general course of his industry.

Other subjects discussed were:

"Selling the Trade Association Idea to the Business Group—The Problem of Membership," by H. P. Sheets, secretary of the National Retail Hardware Association; "Trade Association Credit Matters—Member Firms—Trade Arbitration," by M. Wulpi, commissioner of the National Association of Table Manufacturers; "Practical Business Leadership of the Trade Association Executive and the Profession as a Life Work," by George D. McIlvaine, secretary of the National Pipe and Supplies Association; "The Professional Executive vs. Commercialized Trade Association Service," by Fletcher D. Dodge, secretary of the Toy Manufacturers of the United States; and "Relation of the Trade Association of Manufacturers to Those of Distributors and Retailers," by Lew Hahn, secretary of the National Retail Dry Goods Association.

Business men are asking the question as to what is on the docket for the next few years. Those who attended these two conventions were given a good line on what the professional leaders of organized business are thinking about. Here is a glance at the trend of thought as reflected at Detroit:

Raymond B. Gibbs, manager of the Kansas City (Kan.) Chamber of Commerce, offered valuable suggestions for solving the problem of "Putting the Enthusiast to Work or How to Squelch the Fanatic and Utilize the Genius." What secretary has not had his trouble with both? The fanatic who sees everything wrong and loudly expresses himself, and the genius who has his "hobby" that he cannot forget. Some secretaries have succeeded in eliminating the fanatic. Some have found effective methods of putting the genius to work where he accomplished great results for the organization. Those who heard Mr. Gibbs went home prepared to relieve themselves of these troublesome problems, and at the same time to make the problems useful to their organizations.

"Conventions from the Chamber of Commerce Viewpoint"—a subject of vital interest to every secretary—was presented by W. C. Culkins, secretary of the Cincinnati (O.) Chamber. Every town where a chamber of commerce has been established, regardless of its size, wants its share of the conventions. Those representing the smaller cities were anxious to know how the other small cities had been successful in attracting the



"GMC TRUCKS
ARE SEVEN
STEPS AHEAD"

GMC Trucks Last Longer

Sturdier Construction, Finer Materials and Rigid Accuracy Increase Their Years of Usefulness

Years of enduring and reliable performance are built into GMC trucks by the advanced and exclusive improvements that they contain and by the wealth of surplus strength that has been put into every part.

Years of successful truck manufacture have proved the need of certain essentials to the continuous and unfailing performance which GMC trucks invariably give.

Such exclusive features as the GMC Two-Range Transmission, providing a perfect series of speeds for every use with no increase in engine size—removable cylinder walls, pressure lubrication—all are directly responsible for de-

creasing wear and increasing performance ability.

Radius rods, insuring perfect brake action at all times,—bearings or bushings at every point of wear in engine and chassis—extra-large brake drums and oversized springs, which are requisite to a longer life of truck usefulness, are found in GMC trucks.

Moreover, these factors of safety are insured further by the use of the finest materials and by the rigid limits of accuracy to which each part must be fashioned.

No accurate forecast can be made of the length of life of GMC trucks. With reasonable care they will last indefinitely.

GENERAL MOTORS TRUCK COMPANY—Pontiac, Michigan
Division of General Motors Corporation

GMC Truck Chassis list at the Factory as Follows: 1-Ton, \$1295;
2-Ton, \$2375; 3½-Ton, \$3600; 5-Ton, \$3950. Tax to be added.

General Motors Trucks





Roller Skates —and Industrial Floors

It was a new test for floors, when the roller skate craze hit the country in the early '90's. These thousands of rolling wheels, under swaying weight, demanded a harder, smoother, tougher floor than common usage had ever known.

And so they introduced Maple. It did not splinter. It did not sliver. It simply polished under wear. It was so hard that the machines of those days could not surface it—but men surfaced it by hand, and they gladly paid the extra cost to get a floor which could meet the rigors of this harsher service.

The industrial plant today presents the problem which confronted skating rinks over 30 years ago. But today the rolling wheels are on trucks and tractors. And today you can get Maple flooring manufactured completely by machine methods—accurately produced by large scale production at an economical figure.

The tough-fibred, tight-grained character which gives Maple flooring the power to resist rolling truck wheels, also fits it for unequalled service in public buildings, retail stores, offices and everywhere that long wear is essential.

Investigate Maple and its kindred floorings, Beech and Birch. They are all three made from slow-growth, climate-hardened northern timber, and guaranteed by the MFMA trade-mark. If your architect or retail lumber dealer does not have the information you want, please write to us.

MAPLE FLOORING MANUFACTURERS ASSOCIATION
1078 Stock Exchange Building, Chicago

—Guaranteed Floorings—

MFMA The letters **MFMA** on Maple, Beech or Birch flooring signify that the flooring is standardized and guaranteed by the Maple Flooring Manufacturers Association, whose members must attain and maintain the highest standards of manufacture and adhere to manufacturing and grading rules which economically conserve every particle of these remarkable woods. This trade-mark is for your protection. Look for it on the flooring you use.

Floor with Maple

Beech or Birch

conventions. Mr. Culkins answered the question for them.

Every business man realizes the importance of mapping out a definite program for his local chamber. Many valuable pointers along this line were given by John Wood, secretary of the Charleston (S. C.) Chamber, who discussed, "A Program of Work—Its Value and How It Should Be Prepared and Made Effective." Ernest N. Smith, of the National Chamber, gave the delegates the benefit of the experience of the national organization in "Moulding Public Opinion through Chambers of Commerce."

Officers were elected at Detroit for the National Association of Commercial Organization Secretaries as follows:

President, G. Wray Lemon, Troy, N. Y.; first vice-president, J. David Larsor, Omaha, Nebr.; second-vice president, W. C. Culkins, Cincinnati; secretary-treasurer, Joseph F. Leopold, Des Moines, Iowa; directors, A. S. Dudley, Sacramento, Calif., and Raymond Gibbs, Kansas City, Kans., together with the president, the vice presidents and the secretary-treasurer.

At Buck Hill Falls, officers for the American Association of Trade Executives were chosen as follows:

President, A. L. Smith, general manager of the Music Industries Chamber of Commerce, New York; vice-president, Alfred L. Reeves, general manager of the National Automobile Chamber of Commerce, New York; secretary and treasurer, O. B. Towne, secretary of the Waxed Paper Manufacturers Association, New York; Executive Committee (as additional members): E. F. DuBrul, general manager of the National Machine Tool Builders Association, Cincinnati, O.; H. P. Sheets, secretary of the National Retail Hardware Association, Argos, Indiana, and O. B. Towne, the newly elected secretary and treasurer; chairman of Program Committee, O. L. Moore, secretary of the Sales Book Manufacturers Association, Chicago.

Government to Sell Industrial Plant

SALE OF the land, buildings and improvements comprising the Chicago Ordnance Depot, Ashland Avenue and Seventy-fourth Street, Chicago, at public auction on December 7 is announced by the Director of Sales of the War Department. The site comprises forty-seven acres in the heart of the city's wholesale section, and the improvements include modern storage buildings of concrete brick and steel construction, well lighted and ventilated. The buildings are adapted for a variety of industrial uses, having previously been equipped as machine shops and numerous other departments necessary in a modern industrial plant.

It is announced that the plant, which has been used by the Ordnance Department as a storage depot, will be vacated by the War Department on or about December 1. Excellent railway facilities are afforded, the plant being well equipped with sidings and the property being adjacent to the Belt Line Railway, which has direct connections with all railroads entering Chicago.

Bids must be accompanied by a 5 per cent payment, while an additional 15 per cent of the purchase price will be required from the successful bidder at the time of executing the contract of sale. The balance of the purchase price will be required in installments extending over a period of eight years, or the full purchase price can be paid at the time of the sale. Full description of the plant will be provided upon request to the Office of the Quartermaster General, Room 3335, Munitions Buildings, Washington.



Responsibility

How do you conduct your business? Do you attempt to do everything yourself, look after a thousand and one details, be at the same time both executive and detail man, be personally responsible for everything which happens around the plant? Or do you seek out able assistants and place the responsibility for the different departments of the work upon them, leaving the manner in which they are to execute their assignments strictly up to them? No one need tell you which method is the better.

Why not, then, do the same with your fuel problem, choosing instead of a single individual an organization trained to handle the specialized details of this business in a highly efficient manner? International service is supplying the needs of hundreds of the large coal and coke users thru-out the country, assuming the responsibility of giving them the grade of fuel they need, in whatever quantity they specify, and maintaining the service uninterrupted so far as humanly possible.

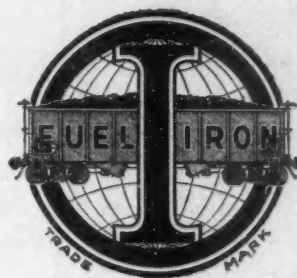
Put the responsibility of meeting your *fuel* problem up to us.

International Fuel & Iron Corporation

Philadelphia

Pittsburgh

Cincinnati



International



Consider

During a period of but five years, over one hundred and thirty billion **26** Green Stamps have been issued by thousands of progressive merchants to millions of thrifty, cash-paying customers as a discount.

To the mind trained for figures, that statement makes a big appeal.

To the eye turned toward business, **26** Green Stamps stand out as the one factor that will bring in the cash without taking out the profit.

New trade needs no introduction to this 26-year-old discount, and all trade knows its value. It's the discount worth while.

Send for a copy of "The Psychology of Giving."

THE SPERRY & HUTCHINSON CO.

114 FIFTH AVENUE

NEW YORK

Log of Organized Business

A TOUR of the leading cities in Texas and Louisiana was made during the latter part of November by the officers and Board of Directors of the National Chamber. The occasion was the final 1922 meeting of the board, which was held in Galveston on the twenty-third and twenty-fourth of the month.

The cities included in the tour were Dallas, Fort Worth, San Antonio, Houston, Galveston and New Orleans.

The party left St. Louis, Sunday, November 19, arriving in Dallas on Monday morning. There they were entertained at a noonday luncheon at which were present members of the Dallas Chamber of Commerce and officials of other chambers of commerce in northern Texas.

From Dallas the party went to Fort Worth, where, on Monday evening, a dinner was given by the Fort Worth Chamber of Commerce. Present at the dinner besides members of the local chamber of commerce were members of the Kiwanis Club, officers and directors of the West Texas Chamber of Commerce, presidents of the chambers of commerce of the larger cities of west Texas and about sixty mayors of towns in that section of Texas.

The next place visited was San Antonio, where the delegation arrived Tuesday morning. A luncheon arranged by the San Antonio Chamber of Commerce was attended by about 500 representative business men. In the afternoon the board visited Fort Sam Houston and in the evening was entertained at a dinner which was attended by the leading business and stock raising interests in southwest Texas.

The party reached Houston on Wednesday morning for a noon luncheon with members of the local chamber of commerce, leaving in the afternoon for Galveston.

At Galveston the board was entertained by the Chamber of Commerce of that city. At the meeting of the Board of Directors held in Galveston important committee reports were submitted, including one on forestry policy and another on the immigration situation.

Leaving Galveston on Friday evening the board visited New Orleans on Saturday, November 25, where it was entertained by the Association of Commerce. The party disbanded at New Orleans.

At the previous meeting of the Board of Directors held at Omaha, Neb., Charles F. Weed, vice-president of the First National Bank of Boston, was elected director in place of Henry H. Morse, who resigned on account of change of residence. Mr. Weed, who will represent the Foreign Commerce Department, is an attorney who gave up his law practice to become an official of the First National Bank. In his position with the bank he has traveled extensively and is a well-informed man on foreign trade in this country.

Court for Trade Arbitration

AFTER two years of careful study by experts, the International Chamber of Commerce has perfected plans for the establishment of a Court of Arbitration for the settlement and adjustment of commercial disputes, which will be independent of all agencies established by governments. Administration of the court will be directed from the headquarters of the International Chamber in Paris.

The American group of the court is an-

nounced by A. C. Bedford, chairman of the American Section of the International Chamber, as follows: Owen D. Young, chairman of the board, General Electric Company, chairman; Newton D. Baker, former Secretary of War, president, Cleveland Chamber of Commerce; Irving T. Bush, president, Bush Terminal Company and president New York State Chamber of Commerce, New York; R. Goodwin Rhett, president, People's National Bank, Charleston, S. C.; Henry M. Robinson, president, First National Bank, Los Angeles, Calif.; Frederic S. Snyder, president, Batchelder and Snyder, and president, Chamber of Commerce, Boston; Thomas E. Wilson, president, Wilson & Company, Chicago; and Edgar Carolan, International General Electric Company, Paris, France.

From its inception the International Chamber has believed that one of the greatest services it could render to the commerce of the world would be to formulate a new plan whereby commercial disputes might be adjusted economically, promptly and equitably without recourse to the usual legal agencies. Parties to a business disagreement who avail themselves of the machinery of the court will, of course, be in honor bound to carry out the award of the arbitrators. Technically qualified arbitrators will be named to hear the cases submitted to the court.

American business men who are desirous of submitting international commercial disputes to the Court should communicate with the Secretary, American Section, International Chamber of Commerce, Mills Building, Washington, D. C. It has been recommended by the Executive Committee that those engaged in international trade who are willing to adjust their misunderstandings by arbitration insert the following clause in their contracts:

The contracting parties agree to submit to arbitration, in accordance with the Arbitration Rules of the International Chamber of Commerce, the settlement of all disputes in connection with the interpretation or the execution of this contract.

The court will appoint one arbitrator to try each case submitted to it, unless the parties desire the appointment of two arbitrators and one umpire, or of three arbitrators. The rules, which have been drafted with as few restrictions as possible, may be modified or supplemented at any time by the International Chamber of Commerce.

To Standardize "Old Glory"

With the view of developing certain standards suitable for Government and also commercial use, the Flag Manufacturers Association of the United States is to conduct a complete survey of the flag-making industry. This decision was reached late in October following a conference participated in by the manufacturers and by representatives of the Department of Commerce, the Army and the Navy and the Chamber of Commerce of the United States.

Final agreement by the manufacturers covering a range of sizes and styles that eliminate waste in manufacture will form the basis of a report which will be submitted to the Government Departments concerned, and also the Fine Arts Commission. It is the belief of those interested that the survey will lead to the issuance by President Harding of a new executive order to supersede the one issued by President Wilson in December, 1916, when the sixty-six sizes then in use by the Government were reduced

This was a high grade machine shop too

When the Hartford Fire Prevention Inspector visited a certain well equipped plant, it hardly seemed possible that there could be need of the usual inspection, yet careful investigation disclosed:

1. A large main-feed electric wire supported only by ordinary strings.
2. Oily rags hung over hot steam pipes.
3. A wooden casing so close to a hot stove pipe that it had begun to char.
4. Two fire doors with their fusible links gone.

Naturally this manufacturer was glad to remedy these dangers that threatened to burn his plant and stop production.

Even if you are not a Hartford policyholder, we shall be glad to show you by examples how this Fire Prevention idea may be made practical. Write on your regular letterhead to

Department of Special Service Hartford Fire Insurance Co.

Hartford, Connecticut
U. S. A.



The Seal of Certainty
on a
Fire Insurance Policy

There is a local agent of the Hartford near you. Shall we tell you his name?

to twelve. Congress may also be asked to adopt legislation establishing standard sizes, and proportions, by which all users of United States flags will be governed.

International Chamber Growing

THE 1,200th member of the International Chamber of Commerce was just recently admitted to membership. This rapid growth has taken place in a little more than two years. In October, 1920, Edward A. Filene, of Boston, had the honor and distinction of being the first individual elected to membership in the International Chamber. Then there were only five countries in the organization. The Chamber now has enrolled in its membership business men representing thirty nations.

Hands Off, Government

IN 1915, the National Chamber by referendum (No. 9) declared against the government operation of merchant vessels. More recently two of its committees appointed to consider maritime affairs made similar declarations, one of the committees having particularly and strongly recommended that the government should cease to operate its tonnage in competition with privately-owned ships in the intercoastal service through the Panama Canal. The American Steamship Owners' Association brought the whole subject to an issue by presenting a petition to the Shipping Board requesting the latter to withdraw the government ships that are being operated by its agents in the coast-to-coast service, the petition being based on the policy established by Congress that the American Merchant Marine should be owned and operated by private interests, and on the fact that adequate service was being given by strong, privately-owned steamship companies, whose tonnage employed was largely in excess of the necessities of commerce. A hearing was given upon this petition by the Shipping Board and the matter is still under advisement. Soon after the petition was presented the Merchant Marine Committee of the National Chamber authorized the Marine Bureau to make proper representations to the Shipping Board in behalf of the steamship owners.

Julius H. Barnes, president of the National Chamber, later addressed a letter to Chairman Lasker in which he set forth that the membership of the National Chamber was opposed not only to government ownership and operation of merchant vessels, but also to interim competition from government-owned vessels with privately-owned and operated vessels which afforded adequate service. Because of this circumstance, Mr. Barnes wrote that it became appropriate for him to place before Chairman Lasker the position of the National Chamber in connection with the question the Shipping Board was then considering, with respect to the continued use of government-owned tonnage in the domestic trade routes between Atlantic and Pacific ports. After referring to the fact that the Merchant Marine Committee and Marine Bureau of the National Chamber had given the matter special consideration, he stated that the conclusion of these two bodies was that as there was an excess of privately-owned tonnage engaged in the trades under consideration; that as this tonnage must necessarily be owned by American citizens under the American flag; and that as there were no conditions in prospect which would cause this tonnage to be insufficient for the transportation service required, since the privately-owned vessels operating on these routes were in strong competition,



The ceaseless flow of traffic over the municipal docks at St. Louis for barge shipment on the Mississippi River makes St. Louis the center of the nation's inland shipping activities. Rail and river transportation facilities join at St. Louis, forming the crossroads of commerce at the center of the continent, and, continuing, follow the trade routes of the world.

As a part of the daily movement over the St. Louis municipal docks, one sees shipments of sulphate of ammonia to Japan, tank plates to the oil fields of India, grain to Europe, paint to Porto Rico, mahogany from Central America, rare spices from Ceylon, sisal from Yucatan, cocoa beans from Callao. The railroads bring in grain from the Central West, furs from the frozen North, hides from the western plains, copper from the Rockies.

Via St. Louis

From St. Louis, the basic materials from all climes are delivered to the markets of this country for manufacture. The finished commodities, on their outward journey to world markets, pass the incoming rush of raw materials.

Goods loaded into box cars at plants in St. Louis for water shipment are delivered to the ports of the world at water rates via U. S. river service at 20 per cent under rail rates.

With 26 railroads "to everywhere" from St. Louis, and a Government barge line on the Mississippi River to New Orleans, shippers in St. Louis are able to reach all markets—domestic and foreign—at economical freight rates for almost straight-line delivery.

St. Louis is a good city to live in, work in and play in.

Send for one or both of our free booklets, "Industrial St. Louis," or "St. Louis—The Home City."

ST. LOUIS CHAMBER OF COMMERCE

St. Louis, U.S.A.

**WAR DEPARTMENT***December*

DEC. 4.—Q. M. SUPPLIES—New Orleans, La., Auction. For catalog write C. O., Q. M. Surplus Property Depot, Atlanta, Ga.

Dec. 5.—MEDICAL SUPPLIES—Washington, D. C., Auction. For catalog write Surplus Property Sect., Office Surgeon General, Washington, D. C.

Dec. 6.—ORDNANCE MATERIALS—Rock Island, Ill., Sealed Bids. For catalog write C. O., Rock Island Arsenal, Rock Island, Ill.

Dec. 7.—Q. M. SUPPLIES—San Antonio, Tex., Auction. For catalog write Q. M. S. O., Ft. Sam Houston, San Antonio, Tex.

Dec. 7.—SYMINGTON GUN PLANT—Chicago, Ill., Auction. For catalog write Q. M. Construction Service, 3335 Munitions Bldg. Wash., D. C., or Chas. S. Gerth, 101 W. 42d St., New York City.

Dec. 7.—MEDICAL SUPPLIES—New Cumberland, Pa., Auction. For catalog write Surplus Property Sect., Office Surgeon General, Washington, D. C.

Dec. 8.—LEATHER & HARNESS—New Cumberland, Pa., Auction. For catalog write Q. M. S. O., 1st Ave. & 59th St., Brooklyn, N. Y.

Dec. 12.—Q. M. SUPPLIES—Columbus, O., Auction. For catalog write Q. M. S. O., 1819 W. Pershing Rd., Chicago, Ill.

SEND FOR CATALOG**SELLING PROGRAM**

Dec. 13.—ORDNANCE MATERIALS—Morgan Depot, South Amboy, N. J., Auction. For catalog write Phila. Ord. Salvage Board, Frankford Arsenal, Philadelphia, Pa.

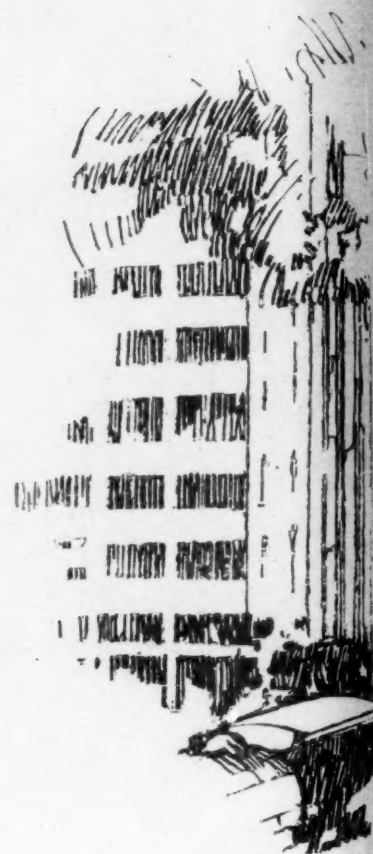
Dec. 15.—Q. M. SUPPLIES—Philadelphia, Pa., Auction. For catalog write Q. M. S. O., 1st Ave. & 59th St., Brooklyn, N. Y.

Dec. 19.—ORDNANCE MATERIALS—Middletown, Pa., Auction. For catalog write Phila. Dist. Ord. Salvage Board, Frankford Arsenal, Phila., Pa.

Dec. 20.—FLOATING EQUIPMENT—San Francisco, Calif., Sealed Bids. For catalog write Western Surplus Property Control Officer, Ft. Mason, San Francisco.

The Government reserves the right to reject any or all bids.

NOTE: Your attention is invited specially to the auction of the Symington Gun Plant, at Chicago, December 7. This plant is admirably suited to the needs of a wide range of industries, and has exceptional storage facilities. It is connected with all railroads entering Chicago, one of the largest rail centers in the world, by means of the Chicago Belt Line. The catalog describing this plant in detail is one you should have by all means.

SEND FOR CATALOG

Send for this booklet
The Story of War Department Sales

WAR DEPT



Does Your Purchasing Agent KNOW—

the full measure of benefits to be obtained from watching advertising of War Department surplus for bargain offerings in his line?

Call him in and encourage him to consider the value in War Department sales. He is familiar with the regular channels of trade. Show him how it will pay to deal with the Government.

Tell him that the War Department has millions of dollars worth of high grade materials to sell; that there is hardly an item required in your business that is not among these materials.

Show him that substantial savings are being made by thousands who already are War Department customers; that purchase is easy, and deliveries immediate.

Point out that the program of sales on the opposite page is only representative of what is being offered shrewd buyers five days a week throughout the United States.

Before he spends your money, have him learn ALL about War Department offerings. Get the booklet shown at the left from Major J. L. Frink, Chief Sales Promotion Section, 2513 Munitions Building, Washington, D. C.

ARTMENT



This transparent window sign in colors on your bank's door is evidence of this added protection.

Don't trust to ingenuity

If you are the kind of careful business man that spends \$50.00 and up every year for some special device to protect your checks, you should appreciate the service thousands of banks are now rendering their customers without charge.

They furnish Super-Safety Insured checks—insured for \$1,000.00 for each depositor against loss through fraudulent alteration—that you can write with pen and ink or typewriter, and be positively protected. No need to worry whether the check is raised or not. The insurance will take care of that.

Look for the banker in your locality who furnishes these positively safe checks without charge to depositors.



\$1,000.00 of check insurance against fraudulent alterations, issued without charge, covers each user against loss

**SUPER-SAFETY
Insured
BANK-CHECKS**

Insured in the
HARTFORD
against loss through
fraudulent or
felonious alterations



The Bankers Supply Company
The Largest Manufacturers of Bank Checks in the World
NEW YORK CHICAGO DENVER
ATLANTA DES MOINES SAN FRANCISCO

the use of government-owned tonnage in the coast-to-coast service should be discontinued, however necessary such use of this tonnage may have been under past conditions which were not likely to return.

Chairman Lasker, in his reply to Mr. Barnes, stated that there were formerly two companies operating considerable tonnage, for which tonnage there was owing to the government large amounts long past due, and that several ships of one of the companies had been seized by the government under foreclosure; that the other company had agreed to adjust its indebtedness to the Shipping Board by November 1; that the only government-owned tonnage was four allocated ships, which, in view of the amount of tonnage in the trade, could not very much affect the situation.

This last assertion of Chairman Lasker has been criticized by the shipowners, who point out that the principle involved is just as much affected by four ships as by a larger number, and that so far as stability of rates is concerned four ships can bring about unstable rate conditions as readily as a larger number, especially under depressed conditions such as now exist, particularly in an overtonnaged freight market.

It is said that one of the Pacific coast members of the Board will oppose the petition of the Steamship Owners' Association, but that a majority of the Board will favor it. It is generally the opinion outside the Shipping Board that the situation in the coast-to-coast trade is one that will largely determine in the public, and especially the ship operating, mind, the policy the Shipping Board intends to adopt in respect of the operation of its ships in competition with the ships of private owners.

The Trade Associations' Research

AMERICAN industry is spending about \$70,000,000 annually on scientific research, according to the Fabricated Production Department of the Chamber of Commerce of the United States.

About one-half of this sum is spent by American manufacturers in the conduct of laboratory research, while the remainder is expended in experimental and development work in plants, the department points out in a bulletin entitled, "Research Work—a Constructive Trade Association Activity."

As a result of scientific research work, approximately one-half billion dollars is being saved annually by industry in this country. How it is being done, the department thus explains:

The value of scientific research, both from an economic and industrial standpoint, has never been so fully appreciated as at the present time. The problems of the recent war forced science and its research activities to the front in all civilized countries. It is now realized by leading manufacturers that scientific investigation is a necessary adjunct to efficient cooperation. A utilization of the scientific knowledge now available, and a sympathetic cooperation in the free interchange of such information will lead to the adoption of improved manufacturing processes and do much to obviate the danger of ignorant, destructive competition. The realization of this fact is shown by the 500 or more firms now maintaining laboratories for industrial research.

If there were no correlation of effort on research work, much duplication might result. The logical solution, therefore, is to have the trade association make this correlation. This enables a pooling of resources to maintain a central laboratory to render service to a larger group than is possible with only individual laboratories. Another and very important factor, especially valuable in strengthening trade



Give them the priceless gift of Protection

THE greatest gift which you can bestow may be the gift of wise provision for your family's future.

They will not see it; they may never even hear about it. But if a certain day should come, then they would understand, and appreciate, and remember.

They would find that you had made your will, putting your wishes for their welfare into the tangible form of directions to your executor.

They would find that careful plans had been made to protect, for their benefit, your property, life insurance, and other affairs.

They would find the burdens of estate management being attended to by a trust company. They would find the trust company sympathetic and considerate in all its dealings with them. They would know their inheritance was in safe hands.

You should make this vital gift of protection. Then you can give your other gifts with a freer hand and a freer heart.



Ask a Trust Company

for a copy of the booklet, "Safeguarding your Family's Future," which fully explains the advantages of trust company administration of estates and trusts, and outlines steps which you can take to protect those who will inherit your estate.

TRUST COMPANY DIVISION
AMERICAN BANKERS ASSOCIATION
FIVE NASSAU STREET, NEW YORK



Co-operation—Builder of Cities

Here is a thought for the thoughtful—for men who would like to see their community develop in size and influence and resources, and as a place in which to live and to be in business:

The transportation requirements of each community—and the problems involved in meeting these requirements—deserve consideration by the people of a community, as well as by the company that must provide them. For the problem of the carrier and the carried is a *common problem*—and only co-operative thinking and working will solve it.

Few realize how much community development

depends on adequate transportation, nor do they give due credit to the Electric Street Railway for its contribution to local well-being and prosperity. Fewer still recognize the importance of co-operation in fostering and strengthening existing transportation facilities.

Co-operating in the solution of the technical problems involved is a corps of Westinghouse Engineers, whose goal is the development of Electric Street Railway Equipment that will do a real job for companies, and for communities, that are to meet their transportation needs with the greatest possible measure of reliability—and economy.

WESTINGHOUSE ELECTRIC & MANUFACTURING CO. • Offices in all Principal Cities • Representatives Everywhere

Westinghouse

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In the offices of the great steel mills

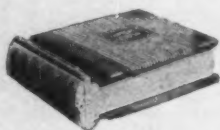


Your stationery store is a "Service Station" for DeLuxe Loose-Leaf Systems

You will find there every item of Loose-Leaf your office needs. You will also find enlightenment and help in systematizing your record-keeping methods. New time-and-money-saving appliances are being frequently introduced through your stationer

Make it a point to talk "office equipment" with your stationer

WILSON JONES LOOSE LEAF CO.
NEW YORK PHILADELPHIA CHICAGO SAN FRANCISCO



Record-keeping in steel mills is the most intricate of all book-keeping jobs.

DeLuxe Loose-Leaf Equipment finds leadership in the leading mills because DeLuxe helps to make their record-keeping most efficient.

You can safely follow the lead of the leaders in buying your Loose-Leaf equipment.

The leaders use DeLuxe.

DeLuxe Loose Leaf

ASK YOUR STATIONER

"In giving, a man receives more than he gives; and the more is in proportion to the worth of the thing given."
—MACDONALD.

SUBJECT: Borden Company's Gifts to worthy Employees

BUSINESS executives wonder frequently, at this time of the year, "What shall I give to Jones, and Smith, and Brown, that will inspire and impel them to more profitable business thinking for us and for themselves, during 1923?"

The ideal gift is the very magazine you *NOW* hold in your hands.

A. W. Milburn, President of the Borden Company thought so, because he wrote, "It gives me pleasure to enclose herewith check for \$375.00 to cover fifty (50) subscriptions to The NATION'S BUSINESS." He gave one *three-year*, \$7.50 subscription to each of 50 worthy employees.

Whether you now think of one, two, three, thirty or fifty employees who would be more *useful* to themselves and to you if they obtained a broader economic vision through reading The NATION'S BUSINESS; whether you think of giving them 1 year subscriptions at \$3, 2 year subscriptions at \$5, or 3 year subscriptions at \$7.50; send us their names and addresses now and tell us to start the magazines with the January issues, which we will arrange to place in their hands on *Christmas Day*.* You can pay us when you get our bill, after the first of the year.

The NATION'S BUSINESS
Mills Building, Washington

*If you wish, we will send each of them a pleasant Christmas card bearing your name or your firm's name as *donor*—the card will also be timed to arrive on Christmas morning.

associations, is that such centralized research work makes it possible for the small manufacturer, financially unable to support an individual laboratory, to profit from the investigations carried on.

It is not surprising, therefore, that a continually increasing number of trade associations are realizing the value of research as one of their most constructive activities. Of the 65 to 70 associations now engaged in this work to whom a recent inquiry was sent by the Fabricated Production Department, 33 gave specific replies, indicating that 8 were conducting their research independently, and 25 were acting in cooperation with some other agency. The general leaning is toward the scientific aspect of research work. Nineteen trade associations are engaged exclusively in that class, three in the general problem class, while eleven give attention to both types of problems.

What Others Think

WILLIAM ALLEN WHITE, the Kansas editor, recently syndicated an article on national organizations with headquarters at Washington. Here is what he had to say about the National Chamber:

Typically, the fairest and most representative and most democratic organization in Washington is the Chamber of Commerce of the United States. It is organized in half a dozen big departments, and when a question arises in American business in any division, as, for instance, insurance, transportation, merchandising or communication, a ballot is sent out to all interested parties, to chambers of commerce all over the land and to trade associations. The question is carefully stated by experts, and the two sides honestly and clearly presented by the best minds in America. The vote is carefully tabulated and made a matter of public record. Then the record is laid before the members of Congress. Each member can see how his home merchants, bankers and manufacturers voted upon any question and how the country voted, or how any section of the country voted. These tabulations have great weight with Congress.

To Study Inland Waterways

INLAND waterway transportation is being carefully studied by a new committee which may soon report to the Board of Directors of the National Chamber. The committee is well balanced, containing representatives of the manufacturing, railroad, banking, terminal, electric power and shipping interests, as well as a consulting engineer, an economist, and a former head of the United States Railroad Administration.

The charter of the committee, as outlined by the Board of Directors, includes "the whole national system of inland waterways." The committee in its investigation will consider fundamentally the economic position of waterways as a supplemental carrier, how they will fit into the railroad system and connect with ocean shipping, the reasons for the opposition to and lack of development of our great waterway system, what special service waterways can render in cheap and direct transportation, the lessons to be learned from European experience, etc. And in this survey an effort will be made to determine how rail and water facilities can best be linked together or coordinated to the advantage of each in order to secure the lowest transportation costs and the best service.

As pointed out by the Chamber's Transportation and Communication Department, the aid of which this committee will have, more than \$1,000,000,000 has been spent on waterways and from \$30,000,000 to \$50,000,000 per year on the rivers and harbors program. This national expenditure may be

analyzed in an effort to discover a way in which future expenditures can be directed more effectively toward the early completion of the most needed projects and the development of a broad national plan for intelligent guidance on these great future expenditures. We have been spending either too much or far too little. The waterways budget is a small affair as compared with the highway budget, and today there is no broad development plan to guide Congress in its examination and decisions covering hundreds of piecemeal projects scattered throughout the country dictated more or less from the various regions or interests, each clamoring for its share. The country is divided on priority of projects as well as upon the question of constructing some of them at all—such as the St. Lawrence seaway. And railroads and waterways advocates are at loggerheads over the question of developing waterways which the former claim are parasites upon the railroad industries; the latter, its salvation. Moreover, Canada and the United States are, for the time being, at odds over who shall control the great by-products of the St. Lawrence seaway—the 4,000,000-odd horsepower in the St. Lawrence, about one-third of which would be developed in the first installation—more than twice the present Niagara development and more than the whole State of California.

The members of the committee are:

W. L. Clause, Chairman of the Board, Pittsburgh Plate Glass Co., Pittsburgh, Chairman; Harry A. Black, Black Hardware Co., Galveston, Texas; William Butterworth, President, Deere & Co., Moline, Ill.; B. F. Cresson, Jr., Chief Engineer, Port of New York Authority, New York City; Frederick A. Delano, Washington, D. C.; Walter S. Dickey, President, W. S. Dickey Clay Mfg. Co., Kansas City, Mo.; Douglas A. Fiske, President, Northwest Terminal Co., Minneapolis, Minn.; H. I. Harriman, Vice-President, Chase & Harriman, Worcester, Mass.; Waller D. Hines, New York City; Dr. Emory R. Johnson, Dean, Wharton School of Finance and Commerce, University of Pennsylvania, Philadelphia; M. J. Sanders, New Orleans, La.

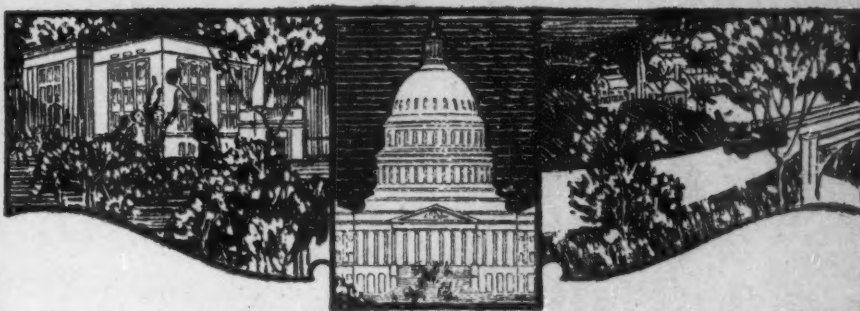
Par Collection of Checks

THE Chamber of Commerce of the United States is committed to the proposition that remittance of checks at par should be a universal banking practice in this country as the result of a referendum vote of its member organizations, completion of which was recently announced. The preliminary count showed 1,735½ cast in favor of the proposition and 72½ votes recorded in the negative.

The referendum was based upon a report made to the National Chamber by a special committee which made a study of the subject. In the opinion of the committee, the practice of certain banks in making a service charge, usually one-eighth to one-tenth of one per cent, in remitting in payment of checks drawn upon them by their depositors should be discontinued.

The latest figures, for August, 1922, show 9,919 member banks in the Reserve System, which remit at par, and 17,865 non-member banks which likewise remit at par. The number of banks not remitting at par in August stood at 2,281.

If charges were actually made by all banks remitting to reserve banks their aggregate would be very large and a burden upon commerce, in the committee's opinion; and the committee concludes that, if only the interest of the banks which now wish to make charges were considered, it is obvious



MUNICIPAL BONDS

as a factor in
America's Progress

AMERICAN communities are more pleasant and healthful places in which to live than ever before. Improved sanitation, pure water, good schools, smooth, hard roads, inspiring public buildings have made them so.

These improvements, in turn, have been made possible largely through the issuance of municipal bonds, payable at a future date, thus spreading the burden of payment over a period of years, and permitting the community to have the use of the improvement while tax funds steadily accumulate to meet principal and interest when due.

Just as American communities have progressed through the sale of their bonds, so, too, a host of investors have registered real progress through their purchase. Municipal bonds are second in security only to government bonds; their income is exempt from Federal Income Taxes; and their yield, while lower than that of some securities, may really exceed the latter when their tax-exemption and safety are considered.

During an extended experience, Halsey, Stuart & Co. has contributed to the progress of hundreds of American municipalities and thousands of investors through outright purchase of entire issues of municipal bonds, and redistribution among investors. Your inquiry will bring further details regarding whichever feature of this two-fold service interests you.



"How to Judge Municipal Bonds"

summarizes in pamphlet form, the important points to be considered in the selection of Municipal Bonds. The information contained will be of value even to those of considerable experience with bonds of this type. Investors who feel that they do not know Municipal Bonds should surely read it.

Write for pamphlet NM-7

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SALES

Increase the Volume—Reduce the Expense

The purpose of all intelligent sales promotion effort is not only to increase the volume of sales, but to reduce the unit expense of selling.

To these ends, scientific market analysis is vital. It stops guesswork and cuts down mistakes. It shows the opportunities for profit and reveals the causes of loss. It replaces impressions with knowledge; conjectures with reason. It brings to sales management the one basis of correct thought, practical plans and successful action.

Scientific market analysis gives the facts—numerically, graphically, geographically. It covers such essential points as knowledge of the product, statistics of past experience, plant capacity, extent of market, potential buying power, selling plans and advertising expenditure.

It has been the pleasure of the Ernst & Ernst organization to assist many of its clients, nationwide, in this fundamental work.

ERNST & ERNST

**AUDITS — SYSTEMS
TAX SERVICE**

NEW YORK	CHICAGO	CLEVELAND	INDIANAPOLIS	NEW ORLEANS
PHILADELPHIA	MINNEAPOLIS	BUFFALO	TOLEDO	DALLAS
BOSTON	ST. PAUL	PITTSBURGH	ATLANTA	FORT WORTH
PROVIDENCE	ST. LOUIS	DETROIT	RICHMOND	HOUSTON
WASHINGTON	KANSAS CITY	CINCINNATI	BALTIMORE	DENVER

BUSINESS STUDIES

A number of pamphlets are available for distribution by the Chamber of Commerce of the United States. There is given below a list of some of the booklets. One copy of each will be sent free on request. A nominal charge amounting to the cost of printing will be placed on additional copies.

Our World Trade—January to March, 1922.

Free Zones—What They Are and How They Will Benefit American Trade.

International Credits—Referendum No. 1, issued by the International Chamber of Commerce on the application of the Ter Meulen Plan.

Fabricated Production Department—Its service to those engaged in manufacturing and production.

The Railroad Situation—Statement of Secretary of Commerce before the Interstate Commerce Commission.

Trade Association Activities—Correspondence between Secretary of Commerce Hoover and Attorney General Daugherty on Legitimate Activities of Trade Associations.

Overhead Expenses—A Treatise on How to Distribute Them in Good and Bad Times.

Depreciation—A Treatment on Depreciation and Production.

Reduction of Merchandising Expense—Methods which Distributors Are Applying to Ease the Process of Readjustment.

Why a Merchant Marine—Reasons why privately owned merchant marine is a national necessity.

Merchant Marine. National Chamber's Position—Report of Chamber's Committee.

Commercial Arbitration—Statement of the field of arbitration and draft of plan.

Schools of Your City III—Health and Physical Education. German Competition—Movement of trade as indicated by official statistics.

Perpetual Inventory or Stores Control—How to keep investment in materials and supplies down to the minimum consistent with efficient operation.

Industrial Development—Activities undertaken by Chambers of Commerce.

National Obligations to Veterans—The costs of war borne by the States and the government.

Treaty Ratification—Report of the Committee on Foreign Affairs regarding ratification of the several treaties of the Conference on the Limitation of Armament.

Department of Commerce and Trade Associations.

Merchandise Turnover and Stock Control—Knowing what is taking place, while it is taking place. Study by Domestic Distribution Department.

Analysis of the Senate Tariff Bill—Showing wherein it meets or fails to meet the tariff policy of the Chamber of Commerce of the United States.

Uniform Cost Methods to Aid Production—Address by Arthur Lazarus.

Analysis of the Senate Bonus Bill—Outline of provisions with estimate of cost.

CHAMBER OF COMMERCE OF THE UNITED STATES, WASHINGTON

they would not profit through a system under which all banks made charges for remittance; for the cost of collecting checks deposited by their customers would then be as great as the amount they would receive from remitting against checks drawn by their customers.

The Coal Investigation

THE Chamber of Commerce of the United States has asked the United States Coal Commission for opportunity to present the views of organized business and industry, in the event the Commission, during its investigation, seriously considers any proposal looking to the nationalization of the coal industry.

In a letter to John Hays Hammond, chairman of the Commission, Julius H. Barnes, president of the National Chamber, pointed out the "disastrous consequences of the nationalization of various industries in Russia and other countries in Europe."

At the same time, Mr. Barnes offered the facilities of the National Chamber, with its large underlying membership in general industry, "in the service of your investigation, at any time and in any manner you may indicate."

Mr. Barnes, in his letter, said:

The Chamber of Commerce of the United States sincerely desires to be helpful in the investigation carried on by the Commission. We assume that your direct contact with representatives of the mine workers and of the coal operators will provide you with accurate and comprehensive information on the practical phases of coal production and distribution. I feel, however, that in the progress of this investigation there may develop some phases in which the Commission will wish some method of communication or contact with large industrial users and consumers of coal and that at that point the Chamber, with its large underlying membership in general industry, may be of service to you, and I now offer the facilities of the Chamber of Commerce of the United States in the service of your investigation, at any time and in any manner you may indicate.

I do desire at this time to ask you that, if in the course of your investigation your Commission proposes to give serious consideration to any project or plan of nationalization of the industry or of government operation in any form in connection with it, the Chamber may be given an opportunity to present the views of organized business and industry. We recognize the fact that the disastrous consequences of the nationalization of various industries in Russia and other countries in Europe, the drain upon national revenues of government-operated services in Europe, such as railroads, telegraph, and telephone, have discredited properly these phases of the relation of government and industry to such an extent that serious consideration of any recommendation tending in that direction may not be given by your Commission. We have no desire to burden your record needlessly, and therefore content ourselves with thus expressing the clear conviction of business and industry that deterioration and disaster follow the injection of government into industry, and ask to be allowed to present the evidence and the argument, at the proper time, before your Commission, if serious consideration is given to any phase of this relation.

When the bill for the creation of the Fact-finding Coal Commission was pending in Congress there was strong opposition to the provision in the Senate bill giving the Commission authority to investigate the desirability of the nationalization of the coal industry. Mr. Borah, Chairman of the Senate Committee, insisted, however, upon the retention of the clause and it was necessary for the House leaders to make this concession in conference.

Hotels Statler

Buffalo - Cleveland - Detroit - St. Louis

A new Hotel Statler (1100 rooms, 1100 baths) is under construction at Buffalo—to open in April, 1923; 500 additional rooms will be added later.

There is to be another HOTEL STATLER in the Park Square district of BOSTON. It will have 1100 rooms and 1100 baths; opening date to be announced later.

Those "Statler Service Codes"

By E. M. STATLER—Being one of a series of advertisements embodying instructions to Statler employees.

For several months we have been printing instructions to our employees in these advertising pages. Here is the basis of it all—the codes in full—telling what we expect of everybody in our service, and what you may expect of them:

Statler Service

HOTEL STATLER is operated primarily for the benefit and convenience of its guests. Without guests there could be no Hotel Statler. These are simple facts easily understood.

So then it behooves every man and woman employed here, to remember this always, and to treat all guests with courtesy and careful consideration.

Any member of our force who lacks the intelligence to interpret the feeling of good will that the Statler holds towards its guests can not stay here very long.

New customers are just as valuable to us as old customers—remember that; for each new customer is an old customer in the making.

See that you do your part to make him want to come back here, with his family and his friends.

Impress upon him the fine good-fellowship of the place; the "No-trouble-to-help-you" spirit.

Never be perky, pungent, or fresh. The guest pays your salary as well as mine; he is your immediate benefactor.

Snap judgments of men oftentimes are faulty. A man may wear a red necktie, a green vest and tan shoes, and still be a gentleman.

The unpretentious man with the soft voice may possess the wealth of Croesus. The stranger in cowhide boots, broadbrim and rusty black, may be president of a railroad or a senator from over the ridge.

You can not afford to be superior or sullen with any patron of this hotel. I said so.

Have every one feel that for his money we want to give him more sincere service than he ever before received at any hotel.

The employee who helps to perpetuate this plan is never out of a job, nor does he escape the eye of the man behind the scenes—the boss.

At rare intervals some perverse member of our force disagrees with a guest as to the rightness of this or that.

He maintains that the meat is well done—when the guest says it isn't.

Or that this sauce was ordered when the guest says the other.

Or that the boy did go up to the room.

Or that no party called.

Or that it was a room reserved, and not dinner for six.

Or that the trunk wasn't there.

Either may be right.

But these are permanent instructions: No employee of this hotel is allowed the privilege of arguing any point with a guest.

He must adjust the matter at once to the guest's satisfaction, or call his superior to adjust it. Wrangling has no place in a Hotel Statler.

The Statlers are successful hotels.

Men and women of taste and refinement, from all parts of the world, name the Statler their home while in Buffalo, Cleveland, Detroit, St. Louis or New York. The reason is, that every waiter in this hotel, every hall-boy, the chamber-maid, the clerk, the chef, the manager, the boss himself, is working all the time to make them feel "at home".

Each member of our force is valuable to us only in proportion to his ability to serve our guests.

What Statler Service Means

A hotel has just one thing to sell.

That one thing is service.

The hotel that sells poor service is a poor hotel.

The hotel that sells good service is a good hotel.

It is the object of Hotel Statler to sell its guests the very best service in the world.

The service of a hotel is not a thing supplied by any single individual. It is not special attention to any one guest. Hotel service—that is, Hotel Statler service—means the limit of courteous, efficient attention from each particular employee to each particular guest.

This is the kind of service a guest pays for when he pays us his bill—whether it is

two dollars or a hundred dollars. It is the kind of service he is entitled to, and he need not and should not pay any more.

Every guest who enters the Statler door comes in because he believes he can buy something here better than he can buy it anywhere else.

It rests with every employee of this hotel—doorman, bellboys, porters, clerks, waiters, maids, manicurists and managers—whether he goes away disappointed or pleased.

A doorman can swing the door in a manner to assure the new guest that he is in his hotel, where people are prompt to serve him. Or—

He can sting the door in a way that sticks in the guest's "crop" and makes him expect to find at the desk a scratchy, sputtery pen, sticking in a potato.

When the room clerk says: "Front, show Mr. Robinson to room 1252," instead of "Show the gentleman, etc.," the guest immediately gets a warm feeling of being welcome.

To be able to give a guest this feeling adds dollars to the income of the house and dollars to the salary of the clerk.

An operator who is quick to answer telephone calls, and does not keep a guest holding a cord receiver to his ear and listening intently to nothing, can swell the appreciation of Statler service—and swell the Statler appreciation of her.

A waiter who can say "Pell Mell" when the guest says "Pell Mell" and "Paul Maul" when the guest says "Paul Maul", can make the guest think himself right—and make us think the waiter is all right.

And just here, take heed, that in all minor discussions between Statler employees and Statler guests, the employee is dead wrong—from the guest's standpoint and from ours.

It is these little things that send a guest away to say, promptly:

"I stopped at Hotel Statler."

Or, listlessly, "I put up at a hotel last night."

The steward (or any other head), who can systematize and organize his department so as to save time or help, can make more money for the Statler—and more money for himself.

Every dollar saved in any department means that we can sell more service for the same price. It makes Statler service a better, bigger thing, and it makes somebody a better, bigger job.

Every item of extra courtesy contributes towards a better pleased guest, and every pleased guest contributes towards a better, bigger Statler.

I hope to have the words Statler Service always mean Best Service throughout the world.

You can help to make it so. Will you?

Statler's Talk on Tipping

The patron of a hotel goes there because he expects to receive certain things: served with celerity, courtesy and cheerfulness.

The persons who are to fetch and carry these things will be those whose portion it is to render intimate, personal service to others. Since time immemorial, this class of servitors has been of the rank and file.

Now and then a server is found—a waiter, a bootblack, a barber or a bell boy—who adds a bit of his own personality to his services. Such a one shows a bit more intelligence—initiative—perspicacity—than his fellows. The patron finds his smaller wants anticipated, and is pleased. He feels

that the servant has given him something extra and unexpected—and he wants to pay something for it.

He tips.

Of course, there are abuses of the tip. A rich bouncer wants something more than other hotel guests, and he futilely tries to get it by throwing money about.

His tips are insults, and his reward servility instead of service. Or—

An individual wishing to be thought a "good fellow" administers tips with the advice to "buy a house and lot," etc. Or—

An infrequent traveler, having the time of his life, tips out of sheer goodheartedness.

These types help to constitute "the public". It is the business of a good hotel to cater to the public. It is the avowed business of Hotel Statler to please the public better than any other hotels in the world.

Statler can run tipless hotels if he wants to. But Statler knows that a first-class hotel cannot be maintained on a tipless basis, for the reason that a small but a certain per cent of its guests will tip, in spite of all rules.

Statler can and does do this: He guarantees to his guests who do not wish to tip everything—everything—in the way of hotel service, courtesy, etc., that the tipper gets.

Let's make that a bit stronger—guests do not have to tip at Hotel Statler to get courteous, polite, attentive service.

Or, for final emphasis, we say to Statler guests: Please do not tip unless you feel like it; but if you do tip let your tipping be yielding to a genuine desire—not conforming to an outrageous custom.

Any Statler employee who is wise and discreet enough to merit tips, is wise and discreet enough to render a like service whether he is tipped or not.

And he is wise and discreet enough to say "thank you" when he gets his tip.

In this connection let this be said:

The man who takes a tip and does not thank the tipper does not feel that he has earned the tip any more than a blackmailer feels that he has earned his blood money. Any Statler employee who fails to give service, or who fails to thank the guest who gives him something, falls short of the Statler standard. We always thank any guest who reports such a case to us. Statler does not deal summarily with his helpers, any more than he deals perfunctorily with his guests—but the tip-grafters get short shrift here.

In Conclusion

When Statler service in Buffalo became synonymous with Good service, we hoped that the opportunities for advancement offered by the second Hotel Statler, then being erected in Cleveland, would stimulate all of our employees to greater efforts. With some it did have that effect.

Now there are other Hotels Statler, in Detroit and in St. Louis. In New York, The Pennsylvania—the world's largest hotel—is Statler-operated. A new and bigger Statler is building in Buffalo, and another Statler in Boston.

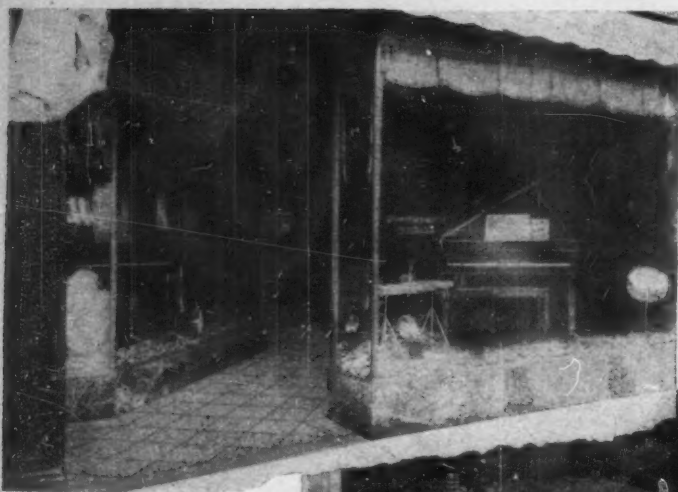
As the organization continues to grow, you ought to be growing with it. Are you?

You can guarantee your growth with us by making your part of Hotel Statler Service the best service of its kind there is. Are you?

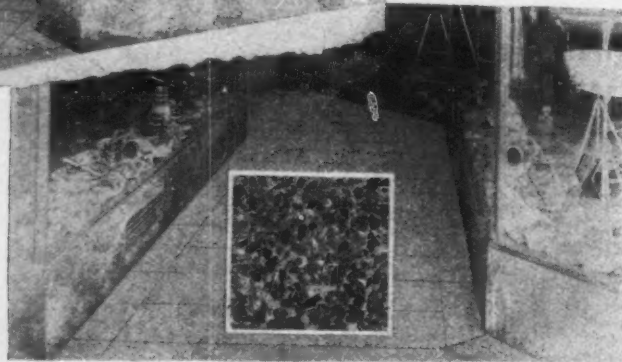
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What the International Plans to Do

BUSINESS men of America will go to the second general meeting of the International Chamber of Commerce in Rome next March prepared to advocate a forward-looking program for the restoration of international trade. Realizing that the United States cannot live as a world unto itself, leaders of industry and commerce in this country are approaching the problems of the war-racked nations of Europe in a spirit free from selfishness.

Questions to be advanced for consideration will include the economic rehabilitation of Russia, and the renewal of trade with that country; essential conditions requisite for the stabilization of currencies; financial measures for the revival of world commerce on an extensive scale; restrictions on export and import trade, and measures for the improvement of sea and land transportation. This tentative program was agreed upon at a recent meeting in New York of the American Section of the International Chamber.

Upward of two hundred business men of this country will accompany the American delegation to Rome. These men realize that it is high time that Europe and America settle down and enjoy the fruits of a peace won at the cost of millions of lives and billions of dollars. They know that everything that the United States Government can properly do has been and is being done to stimulate and revive industry in Europe. Working independently of the Government, although not at cross purposes with its policies, these business emissaries will leave their own factories and counting rooms and cross the seas in an endeavor to do their part in working out a constructive program for putting the topsyturvy old world on an even keel.

Through the agency of the International Chamber, which is a world-wide federation of financial, commercial and industrial interests, American business men see an opportunity to render to less fortunate nations a service that cannot be accomplished through diplomatic channels. Free from governmental or political control and free from motives of private gain, they are determined not to shirk their share of responsibility for the moral and economic leadership which seems to have been bequeathed to America by the fortunes of war. They realize, too, that a better understanding among the commercial interests of the various countries will lead to more complete harmony in the relations between governments.

Through its permanent headquarters in Paris, where the twenty-odd affiliated nations are represented by experts, the International Chamber is constantly functioning in an effort to promote better international business relations, thus assuring peace and prosperity throughout the world. Politics and jealousies are not permitted to influence its actions. It is operating on the theory that in conferences lies the hope of peace and of business security.

Perhaps a better understanding of the International Chamber's purposes may be had by reviewing some of the organization's current activities:

It is evolving a basis for a uniform ocean bill of lading.

It has prepared a comprehensive code for international arbitration to eliminate costly and ineffective litigation between business men of different countries.

It is working on a plan for the collection and dissemination of comparable statistics.

It is about to publish a list of preferred

definitions of trade terms used in international transactions.

It is urging the removal of export taxes which are a hindrance to the freedom of trade. It is committed to a policy of instituting measures for the conservation of fuel and raw materials.

It is urging unification of legislative provisions with respect to bills of exchange and other export problems.

It is calling attention of governments to the burdensome war-time restrictions in regard to passports and visés.

It is making a careful study of the great losses which business men suffer through lack of adequate laws for the protection of international industrial property and for the suppression of methods of unfair competition.

It will suggest remedial measures for the protection of trade marks, copyrights, etc.

It is engaged in drafting a uniform basis for legislation which will remove existing unfair and burdensome tax practices, such as double taxation.

Our Share in Europe's Task

A. C. BEDFORD, vice-president of the International Chamber and chairman of the American Section, presided at the October meeting in New York. At this meeting it was decided to present the name of some prominent American business man to the Rome Congress for election to the presidency of the International Chamber. With this end in view a nominating committee of seven, which will include in its membership Mr. Bedford and Julius H. Barnes, president of the United States Chamber of Commerce, was authorized.

Following the meeting, Chairman Bedford, commenting on world conditions and this country's relations to them, sounded this note of optimism:

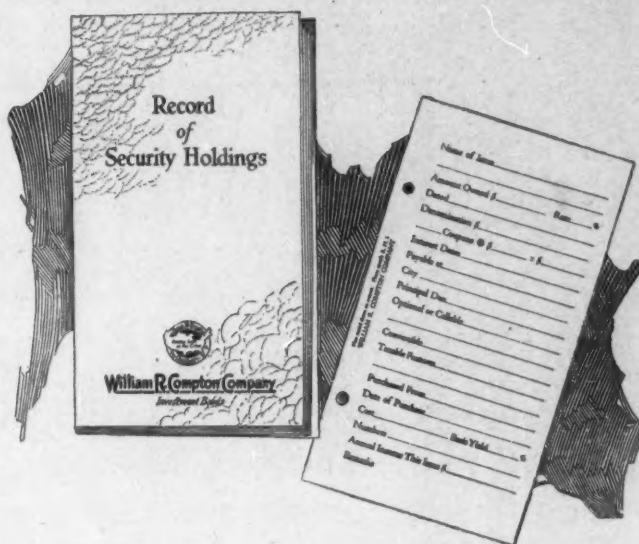
The International Chamber was formed two years ago in Paris to study the great field of economics and trade. Our American Committee has stoutly maintained that America has a fundamental interest in these matters, and we have had constructive reports on progress that is actually under way in meeting many of these questions.

It is with the deepest satisfaction that our committee has followed the addresses and resolutions of the American Bankers Association. They confirm the position we took at the first meeting of the International Chamber in Paris two years ago, in London a year ago and the position our delegation of probably two hundred leading business men will take at the coming meeting in Rome in March—the position that America is in the world and of the world and will bear its full part. Naturally the attitude of the bankers will strengthen the movement for effective cooperation on sound economic basis and steady progress will be made in bringing about improved world conditions.

By resolution the Chamber of Commerce of the United States was requested to cooperate in an endeavor to prevail upon the United States Government to take immediate steps, in so far as it is compatible with the public safety, to enter into international agreements looking to a modification of passport and visé regulations.

The Finance Committee, of which Willis H. Booth is chairman, reported that it is engaged in drafting a number of practical general principles which will aid in the elimination of the burdens of double taxation. In cooperation with the American Bankers' Association, the National Association of Credit Men and the American Acceptance Council, the Finance Committee is giving consideration to the question of international standardization of bills of exchange.

Chairman Booth also reported that the committee is engaged in a study of the gen-



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eral advantages and disadvantages of allowing branches of foreign banks to be established freely within a country. In preparation for the second general meeting of the International Chamber, the Finance Committee is studying the international financial situation, with particular reference to debts and reparations, in order to formulate a statement of the American position on the financial question.

Captain George P. Blow, chairman of the Standardization Committee, reported that after several months of careful investigation his committee had found that there were more than one hundred different bodies in the United States engaged in independent standardization work; but that there is no central clearing house or coordinating body for these various standardization activities.

The report revealed the fact that a number of commercial and trade organizations, several branches of government, and other institutions have accomplished a great deal in their respective fields. There is need, the committee has found, for some outstanding national body which will serve as the connecting link between all of these independent efforts in the United States, and will furnish a medium through which contact may be had with like activities in other countries. Therefore, the committee recommended that the Chamber of Commerce of the United States be urged to undertake the responsibility of coordinating and encouraging standardization efforts in the United States, and that the National Chamber serve as the connecting link between standardization work in the United States and other countries.

Topics for consideration at the Rome meeting were suggested by H. H. Raymond, chairman of the Ocean Transportation Committee, as follows: (1) Transportation of dangerous goods; (2) unification of maritime law; (3) limitation of liability of owners of sea-going vessels; (4) hypothecations and maritime liens; (5) immunity of government vessels; (6) load line; (7) subdivision of passenger vessels; (8) life saving appliances and wireless telegraphy in connection with safety of life at sea; (9) taxation of foreign shipping; (10) flag discrimination; (11) pilferage; (12) oil in waterways; (13) compulsory pilotage; (14) dock and harbor dues and charges.

Rehabilitation of land transportation on the European continent was recommended by the Committee on Land Transportation, of which S. M. Felton, of Chicago, is chairman. It was pointed out that radical changes in political and economic policies have entirely changed the railroad map of Central Europe, thereby altering trade objectives and routes. It is recommended that the Rome Congress create an expert committee, composed of railroad representatives of the several countries in interest, for the purpose of conducting a survey of land transportation conditions. His report says:

In view of the shortage of capital in foreign countries, it is probable that the additions and betterments of the physical railroad properties and the necessity for increased equipment cannot be locally financed for some time. We suggest that negotiations be entered into with a view to bringing American bankers and fiscal heads of the nations interested together for the purpose of organizing an International Equipment Association—this association to furnish funds for equipment required, to the extent of perhaps 75 per cent of its value, with notes guaranteed by the government of the country concerned in the transaction; an initial payment of 25 per cent to be made by the purchaser.

... The committee of experts that we recommended would have, as one of its duties, the

survey of this equipment. From the general reports received from abroad we should judge that some of the countries at least are short of equipment and will be much handicapped with a broad trade revival. . . . It was not our thought when making our recommendations . . . that the Equipment Association would confine its financial operations to the continent of Europe alone. In order, therefore, to make this clear we suggest that this association would have a world-wide market.

Mr. Felton reported that he had conferred with American bankers on the subject, and he expressed the belief that with the backing of the International Chamber and after the necessary surveys had been completed, the bankers of this country would be willing to assist the foreign bankers in making operative the proposed Equipment Association. The Land Transportation Committee further recommended "that similar steps be taken for the rehabilitation, improvement and extension of railroads, ports and inland waterways of the world, particularly those that have most suffered from the results of the World War." With this end in view the committee recommends the organization of a Construction and Development Association to be financed in the same manner as proposed for the Equipment Association.

At a meeting of the Committee on Program for the International Congress held in Paris in October a provisional agenda was agreed upon for the Rome Congress. The Council of the International Chamber will meet in January to confirm or modify the agenda in the light of the situation existing at that time.

The first American delegation for the Rome Congress is scheduled to leave New York on the Cunard steamship *Coronia* on February 10 next. Business men leaving on this steamer will tour to the Mediterranean and visit important trade centers on the Continent. Included among those who have made reservations on the S. S. *Coronia* are:

George Ade, Chicago;

Julius H. Barnes, president, Chamber of Commerce of the United States; A. C. Bedford, chairman of the board, Standard Oil Company of New Jersey, New York; Harry A. Black, Galveston, Texas; Capt. George P. Blow, chairman of the board, Western Clock Company, LaSalle, Ill.; Willis H. Booth, vice-president, Guaranty Trust Company, New York; A. J. Brosseau, president, International Motor Company, New York; Burrige D. Butler, publisher, Chicago; William Butterworth, president, Deere & Company, Moline, Ill.; William Brittain, general manager, Export and Import Board of Trade, Baltimore; Roy Carruthers, Waldorf-Astoria, New York; C. C. Conkle, Los Angeles, Calif.; Thomas E. Cottman, president, Export and Import Board of Trade, Baltimore;

Charles H. Davis, secretary, Chamber of Commerce, Lansing, Mich.; Clyde C. Dawson, Denver; Joseph H. Defrees, Chicago; Thomas A. Dines, Denver;

John H. Fahey, publisher, Boston; A. B. Farquhar, York, Pa.; Frank L. Fay, Greenville, Pa.; G. Watson French, Chicago; Oliver C. Fuller, president, First Wisconsin National Bank, Milwaukee;

Charles C. George, Omaha, Nebr.; L. S. Gillette, president, Plymouth Investment Company, Minneapolis; John M. Glenn, secretary, Illinois Manufacturers' Association, Chicago;

Samuel M. Hastings, Chicago; Herman H. Hettler, president Illinois Manufacturers' Association, Chicago; Noble F. Hoggson, New York; George E. Holmes, New York; Clarence H. Howard, president, Commonwealth Steel Co., St. Louis; Frank W. Howes, Chicago; Edward N. Hurley, Chicago;

George S. Jackson, Baltimore; Alba B. Johnson, president, Philadelphia Chamber of Com-

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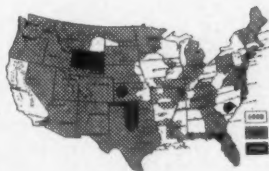


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Ludington Patten, Milwaukee; A. C. Pearson, treasurer, United Publishers Association, New York; Lewis E. Pierson, chairman of the board, Irving National Bank, New York;

George M. Reynolds, chairman of the board, Continental and Commercial Bank, Chicago; R. G. Rhett, president, People's National Bank, Charleston, S. C.; M. C. Rorty, assistant vice-president, American Telephone and Telegraph Co., New York;

Augustus L. Searle, Globe Elevator Co., Minneapolis; Alvan T. Simonds, Fitchburg, Mass.; Harvey J. Sconce, Sidell, Ill.; Lewis B. Stillwell, New York; Silas H. Strawn, Chicago; J. C. Taylor, Chester, Pa.;

Richard H. Waldo, publisher, *Hearst's International Magazine*, New York; F. O. Watts, president, First National Bank, St. Louis; Harry A. Wheeler, vice-president, Union Trust Co., Chicago.

Thirty nations will participate in the Rome Congress, which will convene on March 18 and remain in session for seven days. In the event that an American is chosen as president of the International Chamber, he will assume office immediately upon the adjournment of the Rome meeting.

Suez and Panama Canals' Traffic

THE TRAFFIC through the Suez Canal during the first six months of this year was the greatest for the same period in any year since the war, and nearly equal to that of the first half of 1913, it being 10,087,000 net tons. Coal was the principal commodity moving eastward and oil the principal commodity moving westward. Only forty-six American vessels passed through the canal compared with sixty-seven during the same period in 1921.

During this period vessels aggregating 5,687,224 net tons made use of the Panama Canal.

As illustrative of the importance of the Panama Canal to the coast-to-coast trade it is stated that last September one of the steamers of the Luckenbach Line carried from California to Atlantic points 4,000,000 feet of lumber and 6,000 tons of canned salmon, raisins and general merchandise, or a total of a little less than 10,000 dead-weight tons, or 19,000 measured tons.

Massachusetts Fights Corn Borer

MASSACHUSETTS business men have enlisted in a war for the extermination of the corn borer in that state. The campaign is being conducted under the leadership of the State Chamber of Commerce. Circulars have been sent to every commercial organization in the state pointing out the great menace of this European pest, and urging these organizations to take immediate steps to stamp it out.

"Prompt action may save your community and your farmers thousands of dollars in 1923," the circular says. "Why not call a conference of your local agricultural bodies with representatives of the Chamber of Commerce, the Boy and Girl Scouts, city officials, and others likely to be interested for the purpose of planning a survey to determine the location of extensive weed areas and gardens infested by the corn borer, including ways and means for burning over and plowing."

Nation's Business Observatory

TAKING the trade press as a fair reflection of what is passing through the business mind we find in the last three weeks three outstanding causes of worry: A fear of higher prices, or car shortage and of the scarcity of labor.

It might seem strange to link the word fear with high prices, yet at least one banking authority speaks of this tendency as of a "disturbing character." Not long ago the president of one of the New York trust companies, speaking before a group of business buyers, warned them of a period of higher prices, but in the face of that urged against heavy purchasing on the ground that such a scaling upward might be of short duration.

Not all the prophets are a unit in looking for this "secondary inflation." A frequently quoted statement of Leonard P. Ayres, vice-president of the Cleveland Trust Company, is that he does not expect a repetition of the extreme activity of 1919 and early 1920, but does look for "sustained business prosperity for some months to come." This prediction moves *The American Banker* to say:

On the other hand, prices are already beginning to rise in many commodities and present indications have come to the support of those who are looking for a period of secondary inflation which may, however, come to a rather sudden stop because of the many incongruous and unsound economic conditions of the world.

Business memories may be short, yet we cannot forget so soon the sad awakening from the last period of wild spending and wild buying, so that we find the National City Bank, in its *Bulletin*, saying:

One reason for doubting that the country will swing readily into another inflationary jamboree is that so little time has elapsed since the last one. Wounds are still fresh, memories are vivid, and, moreover, there are many people with whom recuperation has not proceeded so far as to enable them to play an aggressive part in a new movement. History repeats itself in matters of this kind, but usually with intervals which provide a considerable group of new actors. There would seem to be reason to believe that most of the business men who passed through the experiences of 1920 and 1921 will want to make a very careful study of probabilities before they commit themselves to extensive obligations on a level of prices much above the present one.

This finds an echo in *Drug and Chemical Markets*:

Inflation of prices which would lead to wild speculation is not probable, but the tendency is being held in check by conservative leaders and by the fact that the speculative interests have not sufficient collateral to put up for loans with which to swing large deals. How long this condition will last is uncertain, but bankers and captains of industry hope to keep the brakes on speculative business and prevent any inflation of prices not based upon supply and demand. Borrowers for speculative purposes will be frowned upon, and only legitimate enterprises encouraged.

Taking *Textile World* as an authority, the industries which it represents are in a somewhat anomalous condition. It recognizes an increased demand for cotton, silk and woolen goods, yet it declares that "it is impossible to sell the majority of textile products on a basis of replacement costs." Why this is so is thus explained:

The textile manufacturer is confronted with

a strong raw material market, whether this raw material be cotton, wool or silk. While there have been dips in the price curves of all these commodities, especially in the speculative cotton market, the trend has not only been in an upward direction, but has been so marked as to make it impossible to base prices on current figures for raw material. Nor has there been incentive to operate freely in the commodities which enter into the manufacture of textiles. Of course it has been possible for the larger units in the textile manufacturing field to make favorable purchases when raw material markets were on a more advantageous basis. But for the most part the rank and file of manufacturers have been obliged to pursue a similar policy to that followed by the buyers of their manufactured products—a hand-to-mouth purchasing on actual orders.

The shoe and leather industry feels that an increase in the prices both of raw materials and their manufactured products is due to conditions it was important to combat, although, says *Shoe and Leather Reporter*, "there are reasons why it would be good policy to keep prices down." What has happened is thus explained:

It was inevitable that during the period of enforced liquidation prices of hides and skins, and leather and shoes were depressed below the cost of continued production. Automatically the slaughter of cattle, the tanning of leather and the manufacture of shoes were severely curtailed. The reaction was sure to come when prices would return at least to normal.

The great war tremendously increased the consumption of beef to feed the soldiers, and incidentally larger supplies of hides resulted which were used to fill the war demands for leather. The raising of cattle is a slow process, particularly when the demands for beef have abated. It is thus that we find today the hide markets advancing with small stocks. Similarly the selections and weights of leather wanted by shoe manufacturers are not large enough to go around, and shoe manufacturers in turn are compelled to reprice their lines.

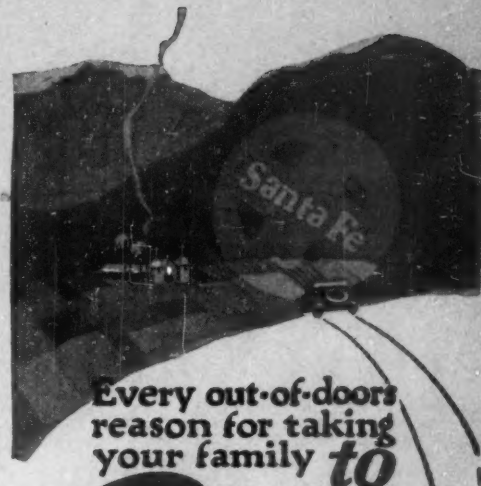
One more instance is found in the *India Rubber Review*, which says this of the tire industry:

That the prices of automobile tires must be increased before next spring is becoming the general opinion of the leading financial journals of the country while the leaders in the trade have felt this to be an absolute necessity for the past few months.

The last cut in tire prices which was made without any public announcement has practically wiped the profit out of the production of tires according to the statements of most of the manufacturers and this, it is pointed out in the financial press makes it necessary to increase the prices before the spring dating business gets well under way if the rubber industry is not going to find itself making tires for next spring without profit.

The situation is disturbing to retailers, who, says *Dry Goods Economist*, "feel acute anxiety as to the effect of the higher cost of merchandise on their business." The *Economist* sees a "revival of the grudge against the retailer" at a time when he had just begun "to feel that he could walk the streets without fear that he was being frowned on as a profiteer." Here's what the *Economist* recommends:

See the editors and publishers of your local newspapers. Talk the matter over with them frankly. Present to them the evidence—Lord knows you have plenty of it and you'll get



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Director of Circulation

THE NATION'S BUSINESS
WASHINGTON

more—that it is not you but the men you buy from who are making higher prices essential. Then, if the newspaper men insist that they "must publish the news," no matter who gets hurt, you may be able to get them to see that it is not played up with needless force or put in a needlessly prominent position.

In short, if it's impossible to obtain just the treatment to which justice and fairness entitle you, strive to bring about a modification.

Fear of Labor Shortage Disturbs Some Industries

ALREADY we have spoken of the widespread disturbance due to the possible or existing shortage of labor. We find *Iron Age* urging the repeal of the 3 per cent quota immigration law and giving these as its reasons:

The Dillingham immigration law has been given sufficient test. It has shown that superb physique counts for nothing as compared with the ability to stumble through a few lines of type. The result is a premium on common labor here. In striving for the remedy it has been suggested that the alien contract labor law be so modified as to admit common laborers, who have been promised work before leaving their own country, subject, perhaps to federal permit. Then, employers, through their agents abroad, could recruit a force of men. Few are hopeful, however, that more than superficial modifications could be procured in the contract labor law at this time, for organized labor is stoutly opposed. Strong presentations of the defects in the practical operation of the present laws are being made in Washington, with the purpose of removing the bars which keep physically strong men from entering the country to serve as common laborers. Continued wage advances for such labor will keep adding to the cost of manufactured articles and thus increase the spread between the farmer's buying and selling prices, which today is a great bar to the coming of prosperity.

The same feeling exists in the construction industries, even with winter coming on and building slackening. *The American Contractor* greets with approval the resolution of the Associated Industries of Massachusetts which at its annual meeting called upon Congress for a "constructive, national immigration policy" made necessary by "a growing shortage of labor." *The Contractor* has this definite suggestion to make to builders who are forced to lay off men:

Hang on to the labor now employed in the construction industry. You cannot pour out of a bottle beyond the neck capacity, and at the present time labor is the neck.

Not only is common labor used on the job, but in making wheelbarrows, brick and hundreds of other materials and items of equipment. If manufacturers in the construction industry have a hard time to get labor this winter, their stocks will be low in the spring.

Contractors who turn off men can perform a real service by steering these men to material or equipment manufacturers. Tickle the telephone leading to some such employer, and tell him that in four days you are going to let a certain number of men off your payroll. He will probably tell you to send them to him. At least he will have that privilege. Your time so spent will be negligible and you will have made that manufacturer and those men better friends of yours.

Such a shortage must work back to the farm, and the *National Stockman*, which notes a decrease in average farm wages, does not believe that this can last long:

There is now a shortage of labor, particularly of unskilled labor, in this country. Recent

wage advances, as well as the ability of workers to resist reductions in their pay, afford sufficient evidence of this. The shortage cannot be overcome by immigration under our present law, and organized labor will probably be able to prevent any early or substantial change in that law. The result must be continued high wages as long as industries can find a domestic outlet for their products. Such conditions mean that more labor will be attracted from farms to centers of industry. The artificial wage scale created by prevention of immigration is bound to have such an effect.

"Driveaways" as an Index of The Call for Freight Cars

"DRIVEAWAYS" from the automobile factories is suggested by *Automobile Topics* as a possible index of the unfilled demand for railroad freight cars. In the week ended October 21 revenue freight car loadings were 1,003,759 cars, the highest in two years, and within 15,000 cars of the record week of October 15, 1920, yet driveaways of automobiles, says this trade paper, have steadily grown. From April to August of this year they jumped from 22,000 to 36,000, and since August have gone above 40,000. At Detroit the Michigan automobile manufacturers are praying for an open winter. The present situation with regard to cars, says *Railway Age*, was one unusual factor. This, "the largest car shortage in history," it says, "has developed at the beginning of a period of revival of general business. Never was this the case before."

Past shortages of transportation always have been experienced either at the end of a period of expanding industry or after business revival has been in progress for some time. The *Age* can see but one way out:

There is only one real remedy for this situation, and this is the expansion of railroad facilities. Whether they will be adequately expanded or not will depend upon future government regulation of railways. The public will determine what regulation will be in future. Therefore, whether the existing shortage of transportation will be remedied or become more acute and serious will be determined by the public.

Rating the Nations as Users of the Telephone

IT WILL surprise no one to know that the United States leads the world in the use of the telephone. It may surprise some to find that the Scandinavian countries, Denmark, Norway and Sweden, come next, far ahead of Germany, France and Great Britain. Canada is another world leader in telephone use, as is New Zealand. Australia as a whole comes near the front.

All these facts have been tabulated and some deductions drawn from them by S. L. Andrew, chief statistician of the American Telephone and Telegraph Company in an article in the current issue of the *Bell Telephone Quarterly*. Growth of the telephones in the years from 1914-1920 inclusive is thus summarized:

In the United States, the number of telephones increased by 40 per cent, as compared with an increase of 32 per cent in Europe. In absolute numbers the increase in the United States was about 3,800,000 telephones, a figure almost equal to the total number of telephones in use in all Europe on January 1, 1914. Among the European countries, telephone growth has been diversely affected by war influence and by changes in territorial boundaries.

In Austria and Hungary loss of territory

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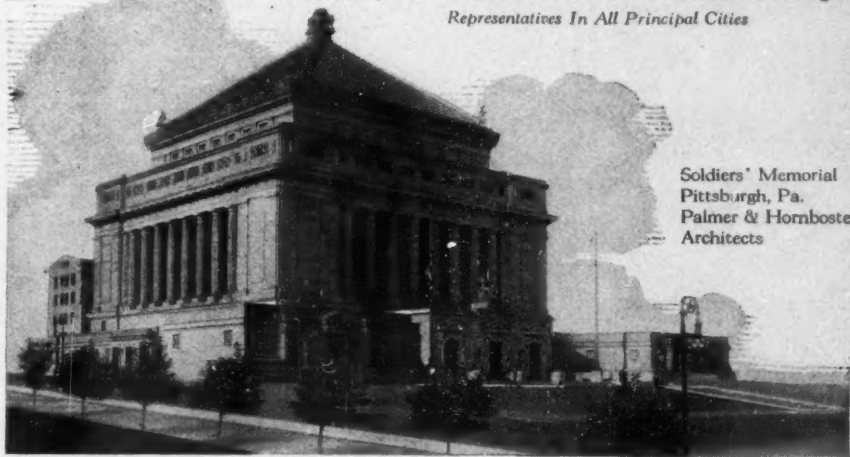
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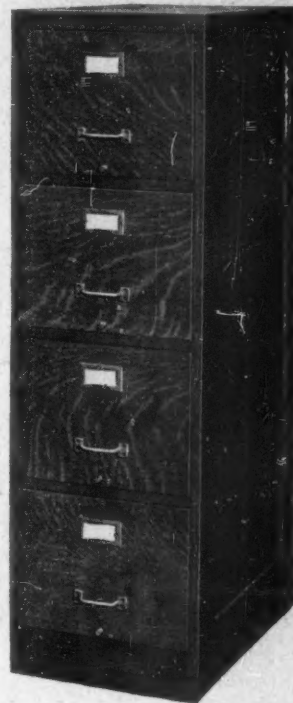
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Under these favorable conditions, it was inevitable that many concerns should so extend their operations as to outgrow local banking facilities.

Business of national proportions needs banking support of corresponding strength.

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substantially reduced the total number of telephones, though telephones per 100 population have increased in both countries because the lost territory was, as a whole, the least developed. Of the new states created as a result of the war, the largest number of telephones (77,195) is in Czecho-Slovakia, though Poland with 72,450 telephones is not far behind. In the neutral countries telephone growth has naturally been more rapid than in the belligerent nations; indeed, in most of the former countries the war gave an exceptional stimulus to the extension of the service.

Thus in Denmark the number of telephones almost doubled during the seven years covered by the table, while the increases in The Netherlands, Norway, Sweden, Spain and Switzerland were also relatively large. In Belgium, German invasion and occupation seriously crippled the service; but the recovery after the war was rapid, and on January 1, 1921, there were almost as many telephones in use in Belgium as in 1914. In France, Great Britain and Italy telephone growth was practically halted during the war, but substantial increases were recorded in the years 1919 and 1920; in the case of France, the increase was augmented by the acquisition of Alsace-Lorraine and the purchase of the telephone system of the American Expeditionary Forces. In Germany the number of telephones apparently increased slightly throughout most, if not all, of the war period; and despite its territorial losses the absolute gain in telephones during the seven years 1914-1920 was greater in Germany than in any other European country.

In South America, Asia, Africa and Oceania a steady extension of telephone service is indicated in almost every country.

This country leads in the use of telephones not only in the cities but still more in its installation in the country districts as *The Review* shows:

With the exception of a few cities in the Scandinavian countries and one city in Switzerland, none of the foreign cities has a development as high as 10 telephones per 100 population, while the 30 United States cities with over 250,000 population show an average development of 16.7 telephones per 100 inhabitants. Indeed, several American cities have as many telephones as there are in the whole of such important European countries as France or Italy. From an American standpoint, even such metropolitan centers as London and Paris are woefully under-developed. In the case of Stockholm, for which a development of 31.4 telephones per 100 population is reported, the number of telephones includes a certain number of duplicates and the development is consequently overstated. Due to the energetic initiative of the Stockholm Telephone Company, which operated the greater part of local service in Stockholm up to 1918, it is true that this city has attained a far higher telephone development than any other foreign city; but it is probable that, if proper allowance were made for duplicate telephones, Stockholm would be found to rank below the highest developed cities in the United States.

In foreign countries telephone service is confined principally to the cities. One-third of all the telephones in France are in Paris; London also has one-third of all the telephones in Great Britain. Except in the United States and Canada, rural telephone service is almost unknown.

The Cotton Cooperatives, Are They a Dangerous Thing?

IN OUR November number we printed an article on the cooperative movement in cotton. There's another side to the shield, according to *Textile World*:

The investigation of the cotton exchanges, authorized by a resolution introduced at the last session of Congress by Senator Smith of

South Carolina, should be extended to include the operations of the state cooperative marketing associations. The Staple Cotton Growers' Association of Mississippi and the eight state cooperatives that are linked up in the American Cotton Growers Exchange were loaned more than \$50,000,000 by the War Finance Corporation for the ostensible purpose of aiding them in marketing their cotton in an orderly manner. To date the cooperatives' interpretation of orderly marketing is a holding movement involving more than 2,000,000 bales of cotton.

It is common knowledge among cotton shippers, brokers and mill buyers that the "Staple Trust" has been holding its cotton 2 to 4 cents above the actual market, and that the cooperatives included in the American Cotton Growers Exchange have been demanding 1 to 1½ cents above the market for the shorter staple cottons that are handled by them. The legitimacy of such a selling policy is not questioned; in fact, the organization of growers to make possible such orderly marketing of the staple has been advocated in these columns. Naturally, however, we had assumed that such a plan would be privately financed and that it would not be allowed to develop into a deliberate attempt to bull the market.

The cotton exchanges will welcome the clean bill of health that the congressional investigation is reasonably certain of giving them, and no doubt the cotton cooperatives will welcome a similar opportunity to refute the charge that they are making illegitimate use of government money. The War Finance Corporation has ample powers to conduct the latter investigation if the congressional committee should find it to be outside of its province, and the time to undertake such an investigation is while the selling season is at its height.

Ford's Cut and Its Effects on Auto and Other Industries

HOW DO makers of other automobiles view Mr. Ford's recent reduction in prices? An effort to answer this question is made by *Automobile Topics*, which finds the reduction well received:

Ford's price reduction is hailed by Edward S. Jordan as a step toward the motorization of every American family. More than a week after the cut of \$50 on all models went into effect trade sentiment toward the move is found to be unchanged, and by no means disapproving. The Ford has always been in a class by itself, and the lowering of its price is merely a reassertion of that fact, made at a time which, all things considered, was well chosen.

Jordan's reaction is important as reflecting the viewpoint of a manufacturer destined to be only remotely influenced by developments in the low-priced car fields.

While trade observers are in agreement that next year is to prove a record breaker, Jordan is the first to reduce his belief to concrete figures. In a statement attributed directly to him, the president of the Jordan Motor Car Co. is credited as saying:

"The effect of the Ford reduction upon the automobile industry will be very beneficial. But the effect upon the motorcycle industry and the shoe industry may be serious.

"Ford is now working on a schedule of 6,500 cars daily. At \$298 he will motorize every American family, because they can buy the car on time.

"This will create millions more owners in the kindergarten of the motor car field.

"There are 11,000,000 automobiles in use in this country, and most of them are open cars. Body manufacturers are now running three shifts a day, trying to produce enough enclosed bodies to meet the demand.

"This means another big year for the automobile industry, and instead of producing 2,000,000, as they have this year, I confidently predict that 3,000,000 automobiles will be built in 1923."

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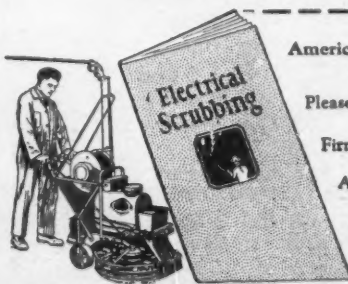
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We Need More Business in Business, Too

By JOHN W. KEAN

BUSINESS is prone to criticize government. Here's a case where perhaps turn about is fair play. Mr. Kean who is a transportation expert for the Navy attended as a listener some recent hearings in which business is vitally interested and he didn't think that the business line-up was as strong as it might have been. And we've asked him to tell his story.

THE EDITOR

FOR a government employee to suggest the possibility of more business in business is a little unusual. It may be, however that the worm has simply been waiting for a good chance to turn.

Two military transportation men attended a hearing held by the Interstate Commerce Commission, September 26. The commission had been directed by Congress to consider the question of a reduced rate mileage or scrip book.

This action by Congress followed hearings held by the congressional committees when business men, principally representatives of traveling men's associations, urged the restoration of mileage or scrip books at reduced rates. They based their arguments largely on the ground that they were wholesale purchasers of transportation and, therefore, entitled to a discount. Congress passed a law directing the restoration of the books but passed the rate problem up to the commission, to be decided after a public hearing.

Uncle Sam buys a considerable amount of transportation. His military branches alone will purchase \$5,000,000 worth of passenger transportation during the present year. The military passenger men were, therefore, interested in the hearing and the possibility of reductions in rates.

They were also particularly interested in the hearing for another reason. In advance of the hearing to be held by the commission the military men learned that the railroad side of the case would be presented by the railroad officials that handled the military transportation.

Here was a great opportunity for the military men. They could sit on the side lines and get a few pointers on dealing with the railroad men from the great American business man.

A One-sided Inquiry

WHEN the hearing opened practically all the 200 men present appeared to be prominent railroad officials. The six or seven military men usually had to face a similar army at their meetings, however, and the two looking for pointers tried to pick out the business men. They were hard to find. Apparently they comprised a small group sitting to one side and occasionally whispering words of encouragement to each other.

This lack of representation by the business men was a surprise. A very important question was under consideration but, apparently, the American business man was too busy to attend.

The hearing got under way with the chairman of the commission and three other

members, also the chief examiner and the chief statistician, sitting on the raised platform at the long bar. A questionnaire dealing with the subject had been sent out by the commission, and a railroad expert, one who was always on the job at the military meetings, took the stand. The moment he took his seat a number of the railroad men passed copies of the questionnaire, which also contained the answers to the questions which the railroad expert was about to read, to everybody present.

The railroad expert read the answers to the questions in a clear voice. It was the opinion of the lines, stating their argument briefly, that reduced rate mileage or scrip books would not result in a net increase in their passenger revenue. In fact, they presented statistics to prove that reduced rate books might result in a net loss in revenue. It had been the contention of the commercial men that reduced rates would stimulate travel, especially the travel of commercial men, and that the result would be a net increase in revenue for the railroads.

Reduced rate books had been sold in previous years, before they were withdrawn by the U. S. Railroad Administration, for the benefit of commercial men and others who were obliged to do considerable traveling. Statistics were produced by the railroad expert to show how the books had been used to defeat regular one-way rates.

One case cited was the travel between Washington and New Orleans. The distance between these cities is 1,100 miles. The legal rate on a straight ticket was .02½ per mile, or \$27.50. There was a 1,000 mile book on sale for \$20.00. The experienced traveler bought a book and paid .02½ a mile for the additional hundred miles. His ticket cost him \$22.50. Ninety-five per cent of the travel between Washington and New Orleans was on mileage books. The other five evidently didn't care for the extra five or didn't know the combination.

To this day every man handling transportation is frequently asked how to get a cheap railroad ticket. Beating rates with mileage books in the old days was a great game.

When the railroad expert finished reading his replies the chairman said the commission would hear from those in favor of reduced rate books. Nobody volunteered, and the chairman said that the commission had received a number of communications favoring reduced rate books but that the writers didn't seem to be present.

The Job of Getting Together

FINALLY one man stood up and said that there were a number present who represented different organizations favoring the reduction but that they had not had an opportunity to get together. It was finally decided to postpone the hearing until the next morning to give the business men a chance to work out a plan of campaign and also to study the replies made by the railroad expert to the questionnaire.

Of course the hearing was public, and the commercial men did not know who was going to appear and make arguments for the reduced rate books. But the commercial men had carried the fight through Congress, and it did seem as if they should have established some kind of a headquarters and made some plan of campaign. As it was, they appeared to be a somewhat disorganized army just waiting to see what the enemy was going to do to them.

But the next morning the business men displayed a little more "pep." They had evidently gotten together some place over-

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☞ He is informed and enthusiastic about your line. Your advertising department finds him always ready to use sales-help material, and to co-operate in selling drives.

NOW just suppose that dealer, with all his enthusiasm and co-operation, stood at the bottom of your list of retailers. Suppose all the rest were even more enthusiastic, better informed, more aggressive than he.

☞ The book, PROMOTING SALES, does not deal with miracles, but it does suggest how you may bring all your retail dealers at least a few steps along the way toward equality with your best one.

☞ PROMOTING SALES will be sent at your re-

quest to those executives in your organization who are charged with responsibility for marketing your product. A line from your secretary will be enough.

☞ The methods suggested have been employed successfully for such concerns as Packard, Jordan, Chandler, Westinghouse, Firestone, Miller, Mazda, Cletrac, Brown Hoist, Timken, Printz-Biederman, Delco, Glidden, Conklin, Art Metal, Macbeth-Evans, Reznor and many others—all customers of this company.

(Please Mention Nation's Business)

The Corday & Gross Co.
Cleveland
Effective Direct Advertising

MANUFACTURING WORK WANTED

We can economically manufacture, in whole or in part, articles of Wood, Iron, Brass or Aluminum.

Let us figure on your requirements

For full particulars address

Seneca Camera Mfg. Company
Rochester, N. Y.



USE HALCO SUPPLIES

STENCILS AND INKS for use on Mimeograph, Underwood, Rotospeed and Neostyle.
RIBBONS AND INKS for use on Multigraph, Addressograph, Typewriter, Elliott, Multicolor and Belknap.
MACHINES AND INKS for re-inking ribbons. We also conduct a department to re-ink Multigraph and other large ribbons.
HALCO QUALITY SUPPLIES are used by thousands of concerns because they combine the utmost in quality with reasonable prices.

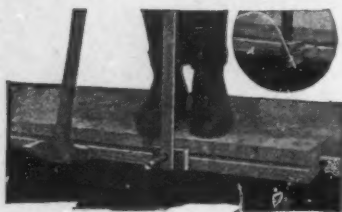
Let us know your requirements when sending for our latest price list

THE SHALLCROSS COMPANY
1458 Grays Ferry Road Philadelphia Pa.

BRANCH OFFICES: 51 E. 42nd St., New York; 128 N. LaSalle St., Chicago; 235 Montgomery Street, San Francisco.



A heavy service Flooring of lasting Smoothness



In the above illustration, Bloxonend is being laid over pitch cushion directly on concrete slab by our lateral nailing method. This method eliminates embedded sleepers, nailing strips or wood subfloor.

WITH the end grain of the selected Southern pine blocks presented to wear, Bloxonend flooring is practically everlasting and, because of its composite form and the joining of each perfectly "milled" section with splines and nails as laid, it forms a surface that remains smooth always.

While Bloxonend is not cheap in first cost, its long run cost is less than any flooring manufactured. It is being used by the leaders of practically every industry and is rapidly laid over old or new concrete or wood floors without interrupting operations.

Have your Secretary write nearest office for a copy of Booklet M which contains detailed information.

Carter Bloxonend Flooring Co.

R. A. Long Bldg., Kansas City, Mo.

Chicago: 332 South Michigan Ave. Cleveland: 1900 Euclid Ave.
New York: 501 Fifth Ave. Boston: 312 Broad Exchange

BLOXONEND

Lays Smooth—Stays Smooth

An Open Letter to you:

What Kinds of THINKING Material Do You Want?

Dear Sir: As editors and business analysts, we must continuously read the minds (figuratively) of as many of our readers as we can mix among, within human limits of time and space—in order to provide in this magazine the kinds of thinking material our readers wish for and require.

You are one of our readers. Perhaps we haven't met you. So will you let us know your definite viewpoint?

Get your pen or stenographer in hand, and write us a letter. Here are only TWO questions for you to answer:

- (1) What, specifically, does THE NATION'S BUSINESS help you to accomplish?
- (2) What kinds of articles and business stories will be most USEFUL to you during 1923? (Governmental, Transportation, Marketing, etc.)

Address your letter to MERLE THORPE, Editor

The NATION'S BUSINESS

Washington, D. C.

night and studied the railroad expert's replies. And from the smiles on their faces as their lawyer began his cross-examination of the railroad expert they expected to land some telling shots.

The questions asked by the business men's lawyer were pertinent and, altogether, considering the army he had back of him and the ammunition with which he had been furnished, he put up a good fight.

He was compelled, however, continually to request the railroad man to furnish statements covering certain points. The commission quickly approved of each request. Naturally some good statistics were the very foundation of the case.

Now the business men might argue that such statistics were only in the hands of the railroads. It developed, however, that the railroad men secured their data, and with exceeding promptness, from the Bureau of Railway Economics, a Washington organization supported by the lines. This bureau, however, secures its data largely from the reports of the Interstate Commerce Commission, and the same reports were available to the business men.

A suggestion that may be helpful might be made here to all business men. The old joke about statisticians being super-prevaricators no longer rings the bell. The statistician is quite a boy these days. It is just as important in every case similar to this hearing to have a good statistician as it is to have a good lawyer. It is suggested, therefore, that it would pay business men to have an organization in Washington prepared to furnish them data on short notice similar to the organization that furnishes the railroad men data.

In this particular hearing the business men did not forcibly develop the total number of wholesale business houses, the total number of men they have on the road and the number of miles they travel. Now some of this information at least, and perhaps other pertinent data, could, no doubt, have been obtained; if not from the Census Bureau, then from the other government bureaus, boards and commissions that are now dealing with commercial conditions. The Government, in fact, has data available on almost every subject. It is simply a case of knowing where to look for it.

Figures That Didn't Tally

IT was mentioned during the hearing that there were 676,000 traveling salesmen and that they traveled an average of 50 miles a day. When the railroad men suggested that the increased cost on a 50-mile basis due to the withdrawal from sale of the mileage books was not the principal reason for taking traveling men off the road the business men hinted that their man who had given the 50-mile estimate didn't know what he was talking about.

The total cost of transportation for 676,000 men, however, traveling an average of 50 miles a day for 300 days, would be over \$200,000,000 at the old .02 per mile rate. The total passenger revenue of the railroads now at .036 per mile is only \$1,000,000,000, speaking comparatively. So practically the only pertinent data the business men submitted do not appear to be correct.

The object of this article is two-fold. In the first place it is desired to make some helpful suggestions to business men, and in the second place to point out that in this particular hearing they did not do their case justice. It was another instance of everybody's business being nobody's business.

A rather amusing incident occurred in

connection with the examination of the railroad expert. When a particularly important question was asked, he would produce a written reply. Of course the hearings before the congressional committees had prepared him for the line of attack, and he had written replies to all the important questions cached all about his person.

One reply, which included a map, explained how automobiles, bus lines and inter-urban lines, particularly in the central states, had cut into railroad travel. Some of these lines were using practically parallel roads, which the railroads were helping to build and maintain through taxation, and cutting under them in rates.

Another written answer gave an interesting history of the establishment of mileage books. It appears that shortly previous to 1870 the passenger departments of the railroads discontinued furnishing free passes to large freight shippers and substituted mileage books. The free transportation was furnished on the request of the freight departments, and the passenger departments felt that they should get credit for the travel. With the books they could get a record of the amount they should charge up against their ancient enemies, the freight men.

When the cross-examination was completed the chairman asked the railroad man if he had any more statements that might be helpful. He had not, and the business men's lawyer put his soldiers of fortune on the stand.

Some Ammunition Good

THEY did very well considering that none of them made any pretense to being experts on railroad passenger travel. Practically all asked for a \$100 scrip book to sell for \$66.67. They also had learned a few points at the congressional hearings and knew how a book of small denomination could be used to defeat many one-way fares.

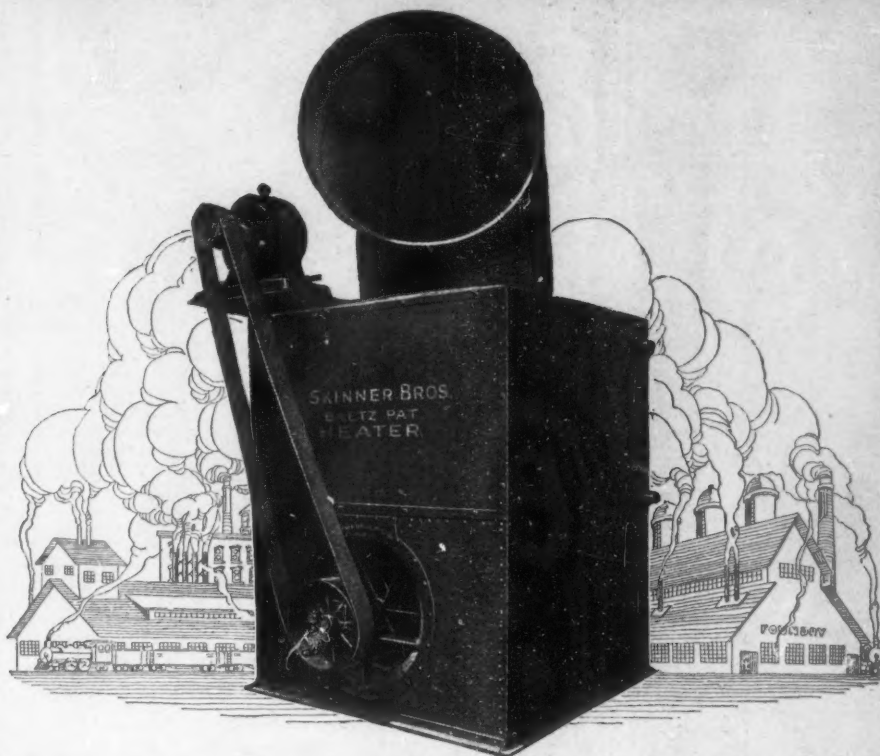
The railroad men later suggested a \$200 book, without any reduction, good for six months, and the commercial men showed a flash of real form.

One of the advocates for the reduction was a hotel man from California. He told the railroad men that they didn't need to worry any more about the jitneys. He said everything had been fixed. He also described in detail a round trip ticket he had purchased to the east coast. He made a circular tour, and he gave the total mileage and the cost per mile. His route had been over the Baltimore & Ohio Railroad from Chicago to New York, and the attorney for the railroads, a very suave and courteous gentleman, who is also an attorney for the Pennsylvania Railroad, pointed out that his rate per mile was probably so low because he had not traveled over the short lines.

Another advocate for the reduction was an officer in one of the commercial organizations. He told the commission that he had written to approximately 250 wholesale houses asking them how many men they had on the road when the reduced rate books were sold, how many they had on the road after the books were withdrawn, and to what extent high passenger rates had induced them to take men off the road.

Here was an effort to get some real pertinent data, and only approximately one-fifth of the wholesale men replied. Some of the replies that he did receive were so incomplete that they were of no practical value.

So as the hearing progressed and drew to a close the government military men's ideas about the wonderful efficiency of the great American business man somewhat changed.



The Leading Industrial Heater

Skinner Bros. are pioneers and leaders in the development of ductless industrial heating systems. The Skinner Bros. (Baetz Patent) Heater was the first in the field—it has always been kept there by an unusual combination of initiative and engineering skill.



Direct-Fired Type DF

Where steam is not available, we supply our direct-fired type DF—built on the same scientific principles as type SC. Burns coal, coke, wood, gas or oil—easy and economical to operate—absolutely odorless.

Entirely Different from Old, Ineffective Systems

Even though no pipes or ducts are used as warm air carriers in the Skinner Bros. Heating System, the temperature in every part of a factory interior is always kept comfortably warm. This is due to the simple natural action of the heater—cool air at or near the floor level is drawn into the heater, thoroughly warmed as it passes up and around a series of steam coils and then gently diffused, under low pressure, throughout the building.

Easily Installed—Economical—Guaranteed

The Skinner Bros. (Baetz Patent) Heater is easily installed—it is portable and requires no special foundation. It is very economical—uses exhaust or live steam at any pressure and needs to be operated only a few hours daily. Every Skinner Bros. (Baetz Patent) Heater is fully guaranteed when installed as directed by our Engineers. Send for complete information and list of users.

SKINNER BROS. MFG. CO., INC.

Main Office: 1456 South Vandeventer Ave., St. Louis, Mo.

Factories: St. Louis, Mo., and Elizabeth, N. J.

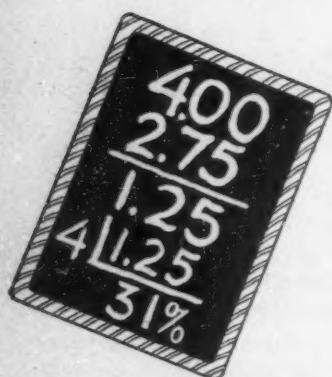
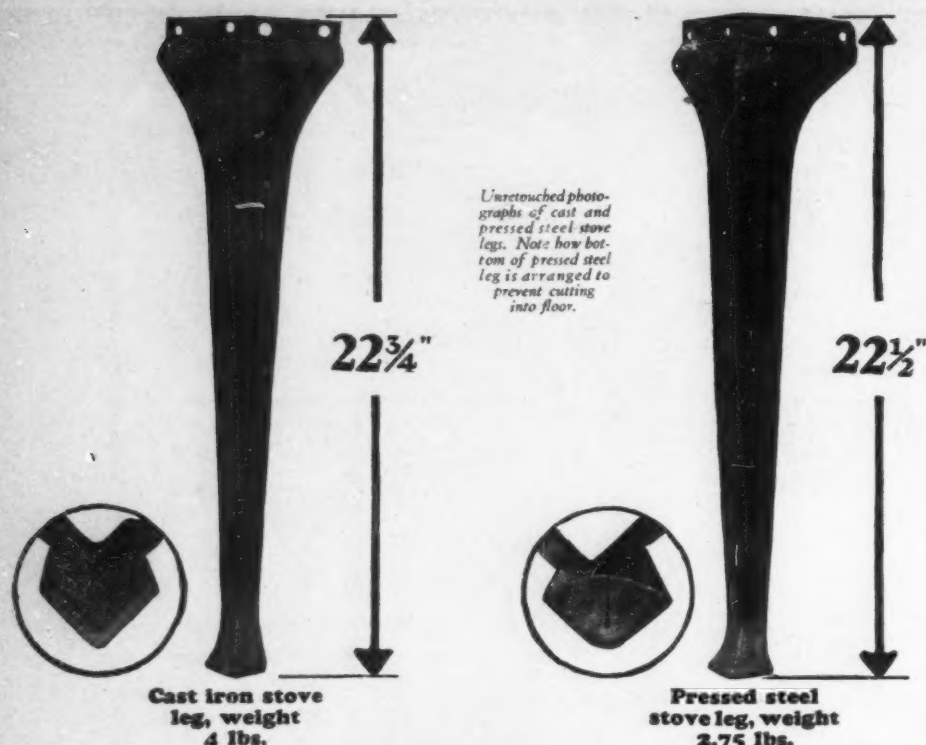
Boston, 479 Little Bldg.
Buffalo, 736 Morgan Bldg.
Chicago, 1737 Fisher Bldg.
Cincinnati, Ohio

Cleveland, 645 Marshall Bldg.
Detroit, 342 Scherer Bldg.
Kansas City, 361 Lee Bldg.

New York, 1736 Flatiron Bldg.
Pittsburgh, 8 Wood St.
Spokane, 443 First Ave.
Washington, D. C., 748 Evans Bldg.

Skinner Bros.

Baetz Patent HEATING SYSTEM



"Press It From Steel Instead"

We have an interesting series of folders showing how pressed steel has cut costs for many other manufacturers. Have you received a set?

Prove It Yourself By Simple Arithmetic

IT DOESN'T take a mathematical genius to prove "pressing it from steel instead" cuts costs in the example shown here.

One of the largest stove companies in the country had always been using cast legs for its ranges. Our engineers showed this manufacturer the possibilities of pressed steel and designed the pressed steel stove leg, illustrated at the right.

HERE'S THE NET RESULT:

- 1. A Weight Reduction of 30%.**
The cast leg weighed four pounds. The pressed steel leg weighs 2.75 pounds—a saving of 1.25 pounds of metal or approximately 30%.
- 2. A Cost Saving of 20%.**
Every stove has four legs. The saving of five pounds of excess weight reduces handling charges, freight expense, a total as compared with castings, of 20% in actual money.
- 3. Expensive Machining Eliminated.**
The pressed legs are turned out smooth, with clean-cut edges and without rough spots—ready for japanning or enameling without expensive machining operations.

What's Your Problem?

You don't have to take our promise that pressed steel will produce similar savings for you, if you are now using any cast parts. All we ask is a chance to prove it. Send us a sample or blue print of any cast part and our engineers will show you what "pressing it from steel instead" will actually do for your business. No obligation on your part, of course.

YOUNGSTOWN PRODUCTS FOR MANUFACTURER & BUILDER			
AGRICULTURAL	AUTOMOTIVE	GENERAL	FIREPROOFING
TOOL & WEIGHT BOXES • SEATS	RADIATOR SHELLS • CRANK CASES	LIFT TRUCK PLATFORMS • TANK HEADS	MACHINE CHASSIS & FACTORY BUILDING MATERIAL
ELEVATOR LATCHES • FURROW & GONG WHEELS	HOUSING COVERS • BRAKE DRUMS	INDUSTRIAL CAR WHEELS • WHEEL DISCS	OLD RUBBER CHAIRS & LAMPS • RAILROAD SLEEPERS
BARRETT'S CLAMP CHAIN • VINTON'S SEERS	CLUTCH DISCS • STEP HANDLES	HATCH CLEATS • BARN DOOR HEADS	YOUNGSTOWN'S CHINA • FURNACE HEADS • REFRIGERATORS
LAND ROLLER HEADS	HUB FLANGES	COMPOUND BOXES	MARSHALLS & IDEAL METAL LATH

THE YOUNGSTOWN WARREN OHIO
PRESSED STEEL CO.

Main Office and Factories
District Offices
New York—30 East 42nd Street
Chicago—McCormick Building
Philadelphia—401 Finance Bldg.
Minneapolis—126 South 9th St.

The Other Side of the Shield

To the Editor of THE NATION'S BUSINESS.

I just read in the October issue of THE NATION'S BUSINESS an article headed "An Export 'Dud' in France" by Pierce Williams.

I take it for granted that you are desirous of putting out absolutely reliable information in an organ which is supported by the business interests of the country.

The gist of Mr. Williams' article seems to be that there is a very poor future in France for the export of American goods unless an American company operates a factory and has its own sales organization in that country. He then takes his experience with Delco-Light as the example by which he attempts to prove that his contention is correct.

I would take it that if Mr. Williams' statements regarding our future possibilities in France are incorrect, it does not leave much weight to his argument about the inability of American exporters to successfully market their goods of American manufacture in France and other European countries.

It so happens that I have just returned from France, where I visited our French representatives.

Today we can export the same model of Delco-Light plant to France that our distributing company there bought from the French Government, and make a profit which is entirely satisfactory to them. We have been shipping them other models of Delco-Light plants which they have been selling at satisfactory prices and out of which they make a reasonable profit.

We do not look into the future, and neither do our distributors in France, from the standpoint that our up-to-date experience in the handling of Delco-Light in that country has been a "dud."

The distributing company in France has two Americans who expect to live there permanently and who are looking forward to a successful experience in our business, even when they have to buy all their plants from here.

Our figures indicate that we can make plants in this country and land them in France cheaper than we could make the plants in France. This comes from the necessity of making a large investment in machinery in order to produce the plants at low prices—an investment that we would not be justified in making on the volume of business we expect to do there.

If you should come to Dayton at any time, I would be glad to show you the figures, substantiating the statements I am making.

If my conclusions are correct, then Mr. Williams' article is misleading to the business men of this country.

Yours very truly,

R. H. GRANT,
President, Delco-Light Company.

Commerce of Atlantic Ports

NEW YORK ranks first in imports, 9,109,868 (long) tons, and first in exports, 9,157,139 tons; Boston second in imports, 2,631,291 tons, and sixth in exports, 624,360 tons (for many years Boston was second in respect to both imports and exports); Philadelphia third in imports, 2,630,987 tons, and third in exports, 2,306,705 tons; Baltimore fourth in imports, 2,248,489 tons, and fourth in exports, 2,077,847 tons; Norfolk fifth in imports, 538,401 tons, and second in exports, 2,588,446 tons; Portland, Maine, sixth in imports, 277,774 tons, and seventh in exports, 513,807 tons; Newport News seventh

in imports, 22,180 tons, and fifth in exports, 1,114,253 tons.

Of the imports into these ports all but 38 per cent consisted of bulk oil or cargo brought from the West Indies and the Caribbean. This fact emphasizes the importance of an extension of our imports in American vessels. Export shipments from Norfolk and Newport News are largely of coal, and from Portland, wheat grown in Canada. These two commodities make up nearly half of the total exports of the North Atlantic district. During the fiscal year 4,678 foreign vessels and 3,219 American vessels brought cargo to North Atlantic ports. Of the American ships, 1,102 were under control of the Shipping Board, and 2,117 were privately owned. Exports were carried in 4,245 foreign vessels and 2,970 American vessels. Of the latter 851 were controlled by the Shipping Board, and 2,119 were privately owned.

STATEMENT of the Ownership, Management, Circulation, etc., required by the Act of Congress of August 24, 1912, of The Nation's Business, published monthly at Washington, D. C., for October, 1922.

City of Washington, District of Columbia, ss. Before me, a Notary Public, in and for the City and District aforesaid, personally appeared Merle Thorpe, who, having been duly sworn according to law, deposes and says that he is the editor and general manager of The Nation's Business, and that the following is, to the best of his knowledge and belief, a true statement of the ownership and management of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 443, Postal Laws and Regulations, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are: Publisher, Chamber of Commerce of the United States, Mills Building, Washington, D. C. Editor, Merle Thorpe, Mills Building, Washington, D. C., Managing Editor, J. W. Bishop, Mills Building, Washington, D. C. Business Managers, None.

2. That the owners are: Chamber of Commerce of the United States of America, said body being an incorporated organization under the laws of the District of Columbia, its activities being governed by a Board of Directors.

The officers and directors are as follows:

President, Julius H. Barnes, New York, N. Y.; Resident Vice-President, Elliot H. Goodwin, Washington, D. C.; Vice-Presidents, A. C. Bedford, New York City; Thomas E. Wilson, Chicago, Ill.; Harry A. Black, Galveston, Texas; Thomas B. Stearns, Denver, Colo.; Secretary, D. A. Skinner, Washington, D. C.; Treasurer, John Joy Edson, Washington, D. C.; Directors: Max W. Babb, Milwaukee, Wis., Arthur S. Bent, Los Angeles, Calif., J. H. Bloedel, Seattle, Wash., George P. Blow, LaSalle, Ill., A. J. Brosseau, Allentown, Pa., O. M. Clark, Portland, Ore., John M. Crawford, Parkersburg, W. Va., Clyde C. Dawson, Denver, Colo., William J. Dean, St. Paul, Minn., Charles C. George, Omaha, Nebr., Edwin C. Gibbs, Cincinnati, Ohio, Carl R. Gray, Omaha, Nebr., William T. Hincks, Bridgeport, Conn., Clarence H. Howard, St. Louis, Mo., Charles S. Keith, Kansas City, Mo., Frank Kell, Wichita Falls, Texas, James S. Kemper, Chicago, Ill., Fred P. Mann, Devils Lake, N. Dak., Felix M. McWhirter, Indianapolis, Ind., Henry H. Morse, Chevy Chase, Md., A. C. Pearson, New York City, L. E. Pierson, New York City, Frederick C. Richmond, Salt Lake City, Utah, J. H. Ross, Winterhaven, Fla., M. J. Sanders, New Orleans, La., John W. Shartel, Oklahoma City, Okla., Paul Shoup, San Francisco, Calif., Alvan T. Simonds, Fitchburg, Mass., Harry A. Smith, Hartford, Conn., L. B. Stillwell, Lakewood, N. J., Ernest T. Trigg, Philadelphia, Pa., Henry M. Victor, Charlotte, N. C., Frederick B. Wells, Minneapolis, Minn., Theodore F. Whitmarsh, New York City.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: None.

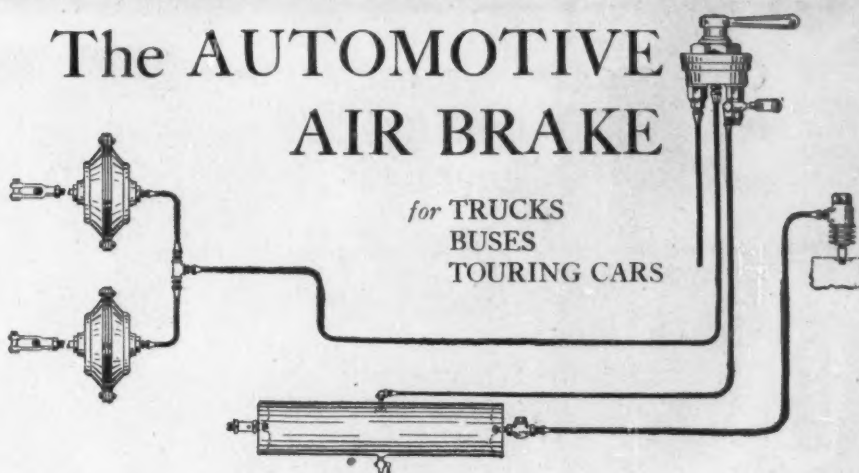
4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

MERLE THORPE, Editor.

Sworn to and subscribed before me this 5th day of October, 1922.

(Seal) ADELAIDE SPRECKELMYER, N. P.
(My commission expires June 2, 1924.)

The AUTOMOTIVE AIR BRAKE



An Announcement

THE Automotive Air Brake is here.

Westinghouse Air Brake engineers have completed an epochal development in perfecting a thoroughly-practical, efficient power brake for any type of motor vehicle—truck, bus or private passenger car.

The Automotive Air Brake is an adaptation of the well-known standard Westinghouse air brake as used throughout the world in steam and electric railway service. It embodies the same time-tested principles of control and functions with the same dependability.

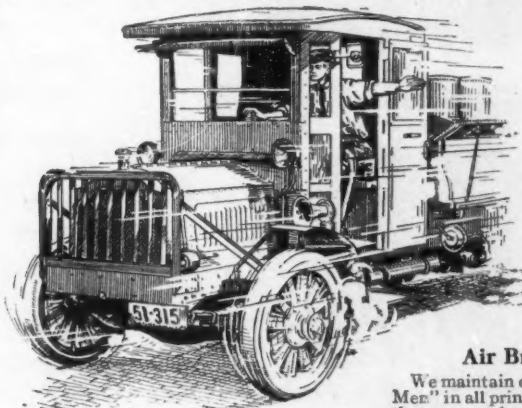
A small control valve, responding to the lightest touch, gives any degree of braking force desired and eliminates the physical strain experienced in operating the ordinary foot-pressure brake.

As a safety device the air brake is paramount. It is capable of exerting materially greater braking pressure, thus making possible shorter stops and assuring better control on descending grades. The additional factor of control permits a corresponding increase in the size of the load which may be carried with safety, an important consideration in the operation of trucks, buses and other commercial vehicles.

The air brake in heavy haulage service also increases the efficiency and endurance of the driver and thus enables him to turn in greater weekly mileage with his machine.

The equipment is light and simple in design, easy to maintain, and does not necessitate removal of existing brakes or render them inoperative.

WRITE FOR FURTHER DETAILS CONCERNING THIS INTERESTING
NEW DEVICE—STATE THE CLASS OF CAR YOU HAVE IN MIND



Air Brake Service

We maintain expert "Air Brake Service Men" in all principal cities as a guarantee that our products will be made to serve your interests to the best possible advantage under all conditions.

WESTINGHOUSE AIR BRAKE CO.

Automotive Division

General Office and Works, Wilmerding, Pa.

New York

Washington

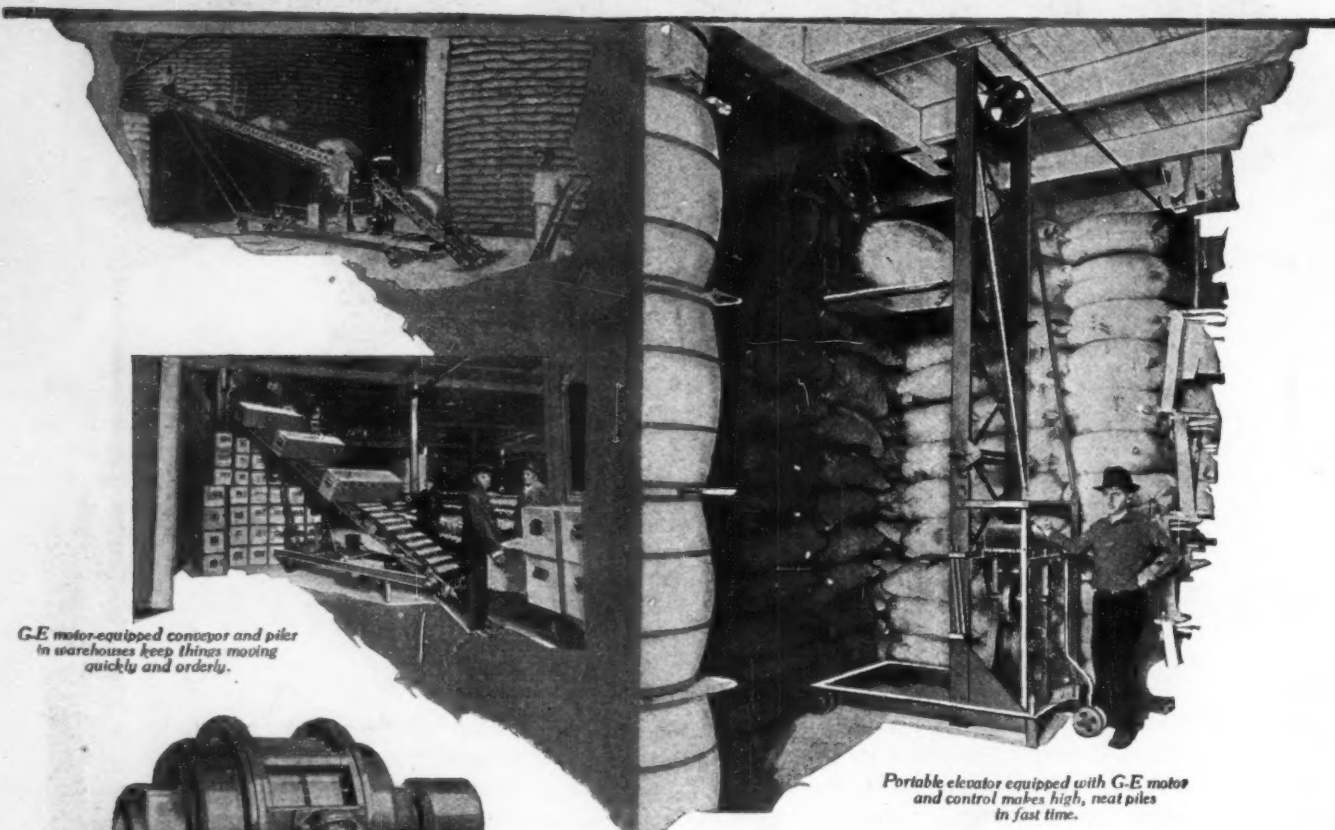
Pittsburgh

Chicago

St. Louis

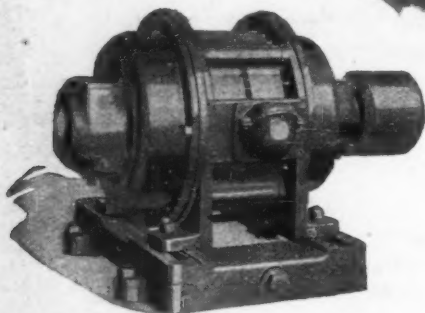
San Francisco

One reason electricity averages 40% saving over old material handling methods—it never stops for rest and seldom for anything else

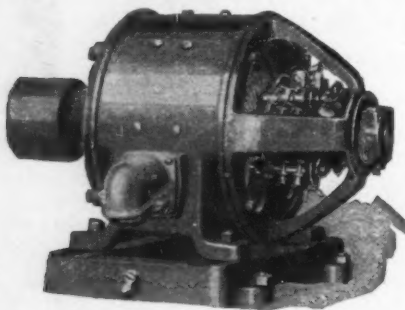


G-E motor-equipped conveyor and piler in warehouses keep things moving quickly and orderly.

Portable elevator equipped with G-E motor and control makes high, neat piles in fast time.



G-E standard type A. C. and D. C. motors for material handling conveyors, pilers, and portable elevators.



G-E motors keep things moving

TON-A-MINUTE material handling means to the warehouse man more business at less cost. When he installs a few electric conveyors, pilers and portable elevators, he releases many strong backs for other service.

These machines do not take big motors—usually 3 to 7 horsepower. On some of them push button control makes their operation almost as simple as switching on electric lights.

G-E motors and control are the best protection against breaks in this service. Because prominent builders of material handling machinery know the worth of G-E equipment, they co-operate with material handling specialists of the General Electric Company in designing and building their products.

General Electric Company

General Office
Schenectady, N.Y.

Sales Offices in
all large cities 43B-577



Hundreds of millions of dollars are lost annually through the use of poor or improperly designed shipping containers. One item alone is sufficient to help visualize this loss. In 1920 the railroad companies paid \$108,000,000 in loss and damage claims.

A Nation-wide Box Service— An Economic Necessity

The General Box Company, a consolidation of fourteen leading box manufacturers, was organized to help correct the wasteful condition in the use of shipping containers by offering to all shippers, east of the Rocky Mountains, a constructive boxing and crating service on which they can rely implicitly.

This service is divided into three parts—(1) analysis and recommendations, (2) manufacturing and delivery, (3) materials.

G.B.C. box engineers are thoroughly familiar with the most advanced principles in scientific box and crate construction as applied to the safe shipping of practically every commodity. Their services are available to any shipper without cost or obligation. Simply write us and we will send an engineer to you.

Sixteen factories, strategically located, enable us to manufacture and ship any type of wooden box or crate in any quantity in the quickest possible time. As manufacturers of all kinds of wooden containers we can fulfill the requirements of any shipper.

Control of our own timberlands insures an adequate supply of lumber of uniform quality and makes possible more stable prices.

We will be glad to explain our services in detail to any shipper. Even though you believe your shipping expense is reduced to a minimum, efficiency considered, it is possible, with our wide experience in every line of industry, we can be of material service to you.

Write for G.B.C. Service—A bulletin of information on better boxing and crating

GENERAL BOX COMPANY

1937 CONWAY BUILDING - CHICAGO

FACTORIES AT

Bogalusa, La.
Brewton, Ala.
Brooklyn, N. Y.
Cincinnati, Ohio

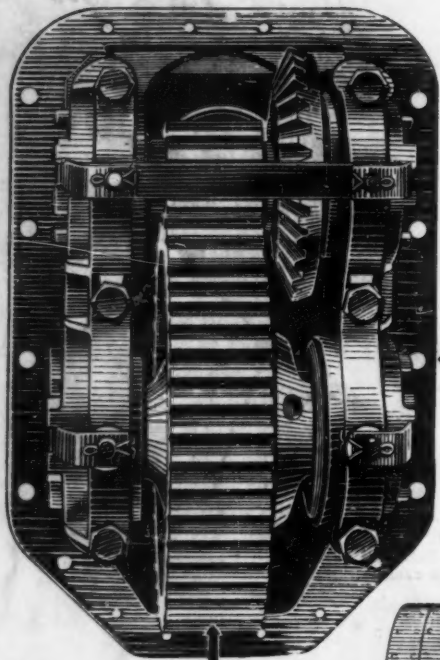
Crawfordsville, Ind.
Detroit, Mich.
East St. Louis, Ill.
Hattiesburg, Miss.

Houston, Tex.
Illmo, Mo.
Kansas City, Mo.
Louisville, Ky.

Nashville, Tenn.
New Orleans, La.
Pearl River, La.
Sheboygan, Wis.

The famous Autocar double reduction rear axle

has proven its value not only to Autocar users but also to truck engineers generally. It is the same double reduction principle used in Autocar construction for 20 years.

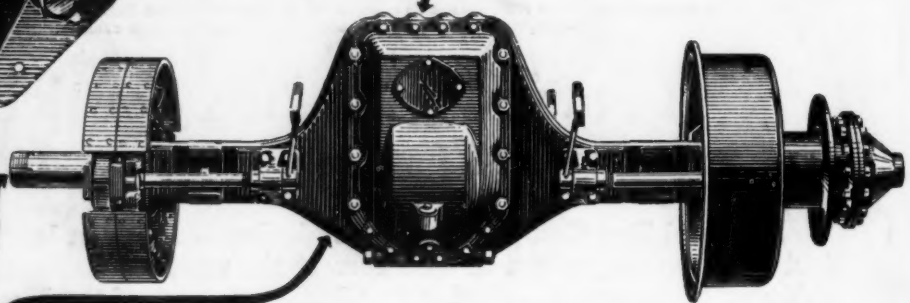


Gears all assembled on front cover plate.

Rugged gears of special alloy steels.

Wheels mounted on inserted tube.

Housing cast in two sections.



First successful shaft-drive truck axle.

Dependability is assured through simplicity and durability.

Axle housing only carries load.

Axle shaft only transmits power.

All gearing enclosed in center stationary housing.

All bearings easily adjusted by removing rear cover plate.

Low tooth pressure and end thrust.

Greatest efficiency where pulling is hardest.

THE AUTOCAR CO., Ardmore, Pa., Established 1897

The Autocar Sales and Service Organization of Direct Factory Branches

New York
Brooklyn
Bronx
Newark
Fall River

New Haven
Springfield
Schenectady
Syracuse
Jersey City

Boston
Providence
Worcester
Wilmington
New Bedford

Philadelphia
Camden
Chester
Allentown
Atlantic City

Pittsburgh
Cleveland
Buffalo
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Dallas

Chicago
St. Louis
Oakland
San Diego

San Francisco
Los Angeles
Stockton
Fresno
Sacramento
San José

The sturdy
Autocar

Wherever there's a road

Capacities, 1 to 6 tons
Chassis prices, \$1100 to \$4350

